

**Family Culture and Firm Performance: The Moderating Roles of Two
Distinct Strategic Orientations in Nigerian Family Businesses**

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DECLARATION OF AUTHORSHIP

I (Bamidele Anike Wale-Oshinowo) hereby declare that this thesis and the work presented in it is entirely my own. Where I have consulted the work of others, this is always clearly stated.

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ABSTRACT

Family businesses have been critical to the economic landscape of many developed countries for centuries and remain so till today. The role of family involvement in these businesses remains an important line of enquiry in family business research. However, there appears to be a huge neglect in the literature on family business and entrepreneurship, with regards to Africa as a research context for family businesses. This is very surprising, considering Africa's size 'as the second largest continent in the world', and the widely held view that Africa is dominated by small-scale businesses, informal markets, and traditional firms that are responsible for a large percentage of its economic growth (Bruton, Ahlstrom and Obloj, 2008; Lyon and Porter, 2009).

Specifically, numerous researches have noted that intrinsic resources are available when the family is involved in the ownership, management, governance and succession of a firm. Despite this widely reported positive connection of family involvement and firm performance, very few studies have focused on family culture, which is considered to be the very foundation and identity of the family. Having recognised this gap, this thesis sets out to explore the direct association between family culture and firm performance vis-à-vis other factors that might be influencing the same.

Using a sample of 237 family business owners in Lagos, the second largest city in Africa by population, family culture is measured empirically with the culture sub-scale obtained from the well-defined and tested F-PEC Scale (Astrachan, Klein and Smyrnois, 2002). First, investigated in this study using regression analyses is the influence of family culture and two distinct strategic orientations – Entrepreneurial Orientation and Small Business orientation – on the performance of these family firms. Next, using Andrew Hayes' PROCESS regression analysis, the moderation effects of environmental dynamism, Small Business Orientations and four dimensions of

Entrepreneurial Orientation, on the ‘family culture-firm performance link,’ are investigated. Finally, using the one-way analysis of variance and independent t-tests, the levels of family culture and firm performance are compared based on the following parameters: ethnicity of the business families, gender of the owner and/or manager, and the generation controlling the business.

The findings of the regression analyses show that there are positive and significant associations between family culture, autonomy, innovativeness and Small Business Orientation, and the performance of family businesses, after controlling for the other components of family involvement. It is noteworthy to mention that in this study, the multidimensionality of the Entrepreneurial Orientation scale advocated by Lumpkin and Dess (1996; 2001) is confirmed. Similarly, the presence of a second strategic orientation which mostly promotes the non-economic goals of family businesses (Small Business Orientation) is also corroborated. The moderation regression analysis using Andrew Hayes’ PROCESS shows only one dimension of Entrepreneurial Orientation (risk-taking) as having a significant and positive effect on the ‘family culture-firm performance link’. The findings of the one-way analysis of variance show no significant difference in the levels of family culture and firm performance based on ethnicity; however, the independent t-test shows that family culture is higher in businesses that have females as owners and/or managers. Furthermore, there is also a significant difference in family culture when tested against the generation controlling the business; the founder-led generation (first generation) is found to have a higher level of family culture than those led by the second generation.

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ACRONYMS, ABBREVIATIONS AND SYMBOLS

α	Cronbach's Alpha
&	And
ACCA	Association of Chartered Certified Accountants
ANOVA	Analysis of Variance
AMOS	Analysis of Moment Structures
AUTO/AUT	Autonomy
AVE	Average Variance Extracted
CBN	Central Bank of Nigeria
CEO	Chief Executive Officer
CFA	Confirmatory Factor Analysis
Δ	Change
CAMA	Companies and Allied Matters Act (Nigeria)
CIBN	Chartered Institute of Bankers of Nigeria
CR	Critical Ratio
df	Degree of Freedom
DV	Dependent Variable
ED	Environmental Dynamism
EFA	Exploratory Factor Analysis
EFB-GEEF	European Family Businesses-European Group of Owner-Managed and Family Enterprises
EMOT/EMO	Emotional Attachment
EO	Entrepreneurial Orientation
FAMCUL	Family Culture

FB	Family Business
FC	Family Culture
FP	Firm Performance
FPEC	Family Influence on Power, Experience and Culture
FI	Family Involvement
JSSCE	Junior Secondary School Certificate Examination
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GNP	Gross National Product
GOF	Goodness of Fit
HND	Higher National Diploma
ICAN	Institute of Chartered Accountants of Nigeria
IFC	International Finance Corporation
INNOV/INN	Innovativeness
IV	Independent Variable
KMO	Keiser-Meyer-Olkin
LLB	Bachelor of Laws/ Legum Baccalaureus
MBA	Master of Business Administration
MBBS	Bachelor of Medicine/ Medicinae Baccalaureus
MI	Modification Indices
NBS	National Bureau of Statistics
NFB	Non-Family Business
OND	Ordinary National Media
PCA	Principal Component Analysis

PURP/PUR	Purpose
RBV	Resource-based View
SBO	Small Business Orientation
SD	Standard Deviation
SE	Standard Error
SMC	Squared Multiple Correlations
SME(s)	Small and Medium Enterprises
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
SPSS	Statistical Program for Social Science
SSCE	Senior Secondary School Certificate Examination
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UK	United Kingdom
US/USA	United States/United States of America
VIFs	Variation Inflation Factors
χ^2	Chi-square

CHAPTER ONE: INTRODUCTION

Introduction to Study

This thesis examines the influence of family culture and the underlying strategic orientations or practices of family businesses (specifically, entrepreneurial orientation and small business orientation) on the performance of businesses in Nigeria. These are businesses that are predominantly owned, managed and governed by families. The study specifically answers the question, ‘what contextual factors shape or determine the performance of family businesses in Nigeria?’

The introductory chapter constitutes the introduction to study, the background and purpose of study, a brief overview of key definitions, research objectives and research questions. This chapter also discusses the research hypothesis, the scope of the research, contribution of the research, the research methods employed and the structure of the research.

1.1 Background and Statement of Problem

Family businesses (FB) have occupied a leading place in the economic and social landscape of most countries for centuries and remains so today. This widely held notion is based on both theoretical and empirical evidences presented by many scholars in North America and Western Europe on the prevalence of this unique group (since the early 19th century), and how family businesses¹ have remained a major contributor to these regions’ economies till date (Allen and Panian, 1982; Lansberg, 1983; Gallo, 1995; Shanker and Astrachan 1996; Westhead and Cowling, 1997; Heck and Trent, 1999; Klein, 2000; Poutziouris, 2001; Klein, 2010; Aldrich and

¹ In this thesis, the words, ‘family business’, ‘family firms’, family enterprise’ and ‘family-involved businesses are used interchangeably’.

Cliff, 2003; Morck and Yeung, 2003; Chrisman et al., 2010; Casillas et al., 2010).

Similarly, in Africa, the general argument is that family businesses control a significant portion of the continent's economy (Nsehe-Forbes, 2014; Bewayo, 2009). It has also been noted that the involvement of families in businesses may be more predominant in this region (Khavul et al., 2009) because Africa is a home to a very large number of small firms, who tend to organise their businesses around the family.

Unfortunately, there is a dearth of literature on Africa, as a research location, especially in the entrepreneurship and family business literature. This is a huge gap in these fields because a large body of literature has overtime emphasised the predominance of family businesses, not just in westernised nations, but also in developing countries as well (Nsehe-Forbes, 2014). Consequently, family businesses should be essential and important line of enquiry in Africa due to the possibility of them playing a vital role in both economic development and income growth within this region.

Family businesses possess some unique attributes that separate them from corporations held by a diverse ownership. This is evident, first, by the superior performance associated with them in numerous researches, using both financial (Anderson and Reeb, 2003a; Allouche et al., 2008) and non-financial (Lee, 2006; Chrisman et al., 2010) indices. Second, family firms are considered to be the oldest form of institutions in the world (Aldrich and Cliff, 2003). History has records of family businesses that have been in existence for over 1000 years. An example is Kongo Gumi, a Japanese construction company, which is in the hands of 40th generation family members. More examples of family-involved institutions that are 100 years and older abound in virtually every nation of the world. These points make them the subject of scholarly interest in the extant literature.

Some of the questions scholars from different disciplines are trying to answer in the various studies being conducted on FBs include: Why are family businesses so prevalent? Why and how do they outlive other forms of businesses? What is the magic behind their longevity? Why and how does a five-decade-old company produce generations upon generations of successors, who are immensely loyal to the organisation, its values and goals? Why and how do they outperform non-family businesses? What makes them unique and different from other forms of business? More specifically is why and how do family firms behave differently from their non-family counterparts?

In trying to answer these questions, the first generally accepted argument that cuts across all disciplines on FBs is that ‘family involvement in a business is what makes the business unique and different from other forms of business’ (Chua et al., 1999). Next, it has been asserted that family involvement in a firm might bring with it some familial resources, which are mainly responsible for their competitive advantage over other forms of organisations (Habbershon and Williams, 1999; Sirmon and Hitt, 2003; Dyer, 2006). It has also been argued that family firms generally behave differently because of certain goals, values and culture that they possess, which are not present in non-family businesses (Sharma et al., 1997; Sharma et al., 2003; Chrisman et.al., 2010).

Due to the numerous significant benefits associated with family businesses and the influence of families on firms, the field of discourse is evolving with growing interests from scholars in various academic disciplines that are not limited to family business. Other fields that are popular with family business research include entrepreneurship, small business management, mainstream management, strategic management and accounting, and policy makers and family business practitioners.

Family involvement is generally viewed as the family's participation in ownership, governance, management, as well as in the firm's vision (Chrisman et al., 2005). Over two decades of family business research has produced several papers on family ownership, management, governance and succession (Chrisman et al., 2003), although much still remains to be done on these topics. However, one key part of family involvement in a firm that appears to have been ignored is family culture (Denison et al., 2004). There have been a range of studies depicting the culture of family firms in metaphoric ways but there is still a dearth of literature on the causal associations between family culture and firm performance/strategic orientation of family firms. It is noteworthy that even when culture is investigated in family firms, most studies have focused on culture at the organisational level (Barney, 1986; Zahra et al., 2004; Chadwick et al., 2008; Chirico and Nordqvist, 2010). Only very few have examined culture at the level of the family behind the firm (Denison et al., 2004; Zahra et al., 2008; Brice, 2013; Craig et al., 2014).

Consequently, taking cognisance of these key points, it is important for more studies to explore family culture (at family level) as a source of competitive advantage in family firms, especially with regards to their entrepreneurial behaviour (Zahra et al, 2004), firm performance (Denison et.al., 2004) and strategic flexibility (Zahra et al., 2008). This study thus explores the phenomenon of family culture within the context of, mostly small family businesses in the most populous nation in Africa, that is, Nigeria.

In Nigeria, although there are no specific figures on the prevalence of family businesses, Small and Medium-scale Enterprises (SMEs) account for 76% of the workforce and 48% of all industrial output (SMEDAN, 2010). SMEs are therefore acknowledged as a major contributor to the Nigerian economy as they operate in various industries that have great potential to contribute to both domestic and international trade; succinctly, they are considered to be the backbone of

the Nigerian economy (Ariyo, 2008). Although, research specific to family businesses is very scarce in Nigeria, a substantial amount of work has been done on SMEs.

Entrepreneurial Orientation (EO) is one concept that has been tested (although not on a wide-scale) in Nigerian Small and Medium-scale Enterprises. Previous studies have examined the EO-Performance relationship in different geographical regions within the country (Alarape, 2009; Oni, 2012; Owoseni and Adeyeye, 2012; Mata and Aliyu, 2014; Shehu and Mahmood, 2014). These studies have mainly presented empirical findings suggesting that EO does affect the performance of SMEs in Nigeria positively; with most employing the unidimensional view of Miller (1983) in investigating EO in their studies. However, none has tested the probability that not all the EO dimensions might be operating in firms vis-a-vis the performance of those businesses.

Furthermore, there is scarcity of research on the EO-performance relationship in the context of family businesses in Nigeria. In addition to this, no empirical research has explored other strategic orientations such as non-economic goals as represented in Small Business Orientation (Runyan et al., 2008) in this nation despite the growing interest in EO as an effective strategy for performance of SMEs in Nigeria. Furthermore, there are no empirical researches employing EO in the context of family businesses, or checking for other underlying factors that might be affecting these forms of businesses, which might be the most prevalent in the business domain of not only Nigeria, but Africa as a whole.

Consequently, from the above discussion, this study therefore makes an attempt to explore this broad research question: to what extent do family culture and the underlying firm practices or strategies (Entrepreneurial Orientation and Small Business Orientation) in family owned, managed and governed firms influence the performance of Nigerian family businesses?

1.2 Brief Overview of Key Definitions

Family businesses occupy a diverse range of business types in many countries. They include both young and old firms; sole proprietorships and limited liability companies; small, medium and large firms; founder-led or descendant-led firms; mostly male-led firms; multi-generational businesses; registered and unregistered; and private and public firms. Thus, the empirical investigation of such a unique yet diverse form of business requires a measurable and specific broad definition. Unfortunately, similar to a few other fields such as strategic management and entrepreneurship, defining the concept of family business is still an ongoing process in existing literature. Till date, family business researchers are yet to reach a general consensus as to what constitutes a family business in both qualitative and quantitative terms (Colli and Rose, 2003; Chrisman et al., 2005).

However, the definition given by Chua, Chrisman and Sharma (1999), which is premised on their review of 250 research articles, appears to be the most widely used definition of family business in literature. These researchers explored the concept of the ‘dominant involvement’ of a particular group ‘which is the family in this case’ in their conceptual definition of family business. Family business is defined by these scholars as

a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families.

In an effort to develop a more measurable definition for family business, another group of authors, Astrachan, Klein and Smyrnois (2002), developed the multidimensional F-PEC Scale of Family Influence, which basically explains that a firm is a family business only to the extent to which family involvement influences the business and its operations. The researchers used three dimensions to explain family involvement in a business: power, experience and culture. These

two definitions (Chua et al, 1999 and Astrachan et al., 2002) have been widely used in family business research in different locations to explain the phenomenon of family involvement in a business.

Dyer (1988: 18) highlights four levels, in his definition of culture. They are artefacts, perspectives, values, and assumptions. From his perspective, artefacts are the more tangible aspects of culture such as the physical (mode of dressing of family members and/or non-family employees, company logo); the verbal (family's common language, family myths); and the behavioural (the family's common rituals, ceremonies and behavioural patterns) identification of the family business. Perspective, the next level of culture, is assumed to be symbolically represented by artefacts. Perspectives are viewed to be the acceptable norms and rules of conduct for handling various issues within the family and the firm. They are therefore situation specific. Values on the other hand as explained by Dyer (1986), are broader principles which are embedded in both formal and informal philosophy of the family. Values represent what the family holds as important. Assumptions are regarded as the very foundation of family culture. Assumptions are the premises on which the family bases both its view of the world and the other three levels of culture (artefacts, perspectives and values). It encompasses the family's belief system. Overall, taking all of Dyer's points, culture is the identity of the family as well as its core values, knowledge, assumptions which are formed within a complex familial system (Hofstede, 1994; 2001).

Family culture can therefore be explained as the cumulative deposits of knowledge and workings within the family which are premised on the core values and beliefs of the family system, as initially highlighted by Hofstede (1994; 2001), and the subsequent four levels of culture, later theorised by Dyer (1986). Astrachan et al. (2002) developed the culture subscale as part of their

well tested and widely used F-PEC scale of family influence, a multi-dimensional continuous scale that measures family influence using the components of family involvement approach. This is one of the most widely used measuring scales for determining the level of family involvement in a firm and it would be adopted in this thesis. The culture subscale seeks the views of family business owners and/or managers on the extent to which their family and business values overlap, as well as a family's commitment to the business (Astrachan et al., 2002: 326).

Values refer to the 'social principles, goals and standards that define what the members of an organisation (*or group*) care about' (Hatch, 1997: 214). In the present context, family values depict the sense of judgement of the family (on what is right or wrong), their philosophy, and what they consider to be important. Family commitment on the other hand, explains a complex range of affective, continuous and normative family relationship and attitude to the firm (Mahto et al., 2010). Specifically, commitment, which suggests stability, reflects a family's long-term orientation towards their business (Mahto et al., 2010). These two variables: family values and commitment are used to measure family culture in this thesis.

The study of the concept of entrepreneurship began fully in the 20th century, with Schumpeter (1934 and 1943) leading the way. Schumpeter (1934) describes entrepreneurship as the process of reforming or revolutionising the pattern of production. He describes entrepreneurs as the 'change agents' of the economy. However, in the second half of the 20th century, the focus on this individual-level description of entrepreneurship became earnest, with authors like McClelland, 1961; Hagen, 1962; Kilby, 1971; Mintzberg, 1973; and Drucker, 1974, describing the traits that encourage individuals towards entrepreneurship.

Peter Drucker led the way by presenting innovation as the specific tool of entrepreneurs. The terms 'innovation', 'newness' and 'creativity' were consistently used synonymously with

entrepreneurship during this period. Despite all of Schumpeter's and Drucker's early descriptions of entrepreneurship and entrepreneurs as the creative process of starting a new enterprise and being innovative as individuals, the field still lacks a general acceptable definition of entrepreneurship. However, in existing literature, entrepreneurship is generally concomitant with the process of perceiving and pursuing new opportunities vis-à-vis the subsequent introduction of new ideas into the market. Specifically, Venkataraman (1997) defines entrepreneurship as a field of study which involves the scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated and exploited. Thus, entrepreneurship is perceived and presented in existing literature as the principal force responsible for driving growth and productivity in firms (Aloulou and Fayolle, 2005).

In the early 1980s to 1990s, the term Entrepreneurial Orientation (EO) emerged as scholars attempted to measure entrepreneurship at firm level. In the early part of the study of EO and the presentation of its dimensions, Miller (1983) led the way by defining the concept from the point of view of organisational characteristics, measured by the firm's strategic decisions and philosophy embedded in three dimensions: risk-taking, innovation and proactiveness. The competitive advantage created in firms that engaged EO was added by Covin and Slevin (1988) in their definition. They define EO as the summation of the extent to which top managers are inclined to take business-related risks that favour innovation and change which will create competitive advantage for the firm and enable them compete aggressively with other firms. The most recent expansion of the concept of EO is by Lumpkin and Dess (1996, 2001), who adds two dimensions, namely 'autonomy' and 'competitive aggressiveness' to the construct. Lumpkin and Dess (1996) also present EO as a multi-dimensional construct, and though still highly debated in existing literature, is the position taken in this thesis. The authors define EO as the processes, practices and decision-making activities in organisations that are characterised by the propensity

to act autonomously, a willingness to innovate and take risks, a tendency to be aggressive toward competitors, and proactive in relation to marketplace opportunities (Lumpkin and Dess, 1996:136-137). Furthermore, entrepreneurship orientation is also the most widely used, tested and accepted construct in determining firm-level entrepreneurship in an organisation. Consequently EO, a key concept of entrepreneurship, has been presented and supported empirically in extant literature as the main driver of organisational success in firms (Lumpkin and Dess, 1996; Rauch et al., 2009). The five dimensions of EO employed in this study are autonomy, innovativeness, risk-taking, proactiveness, and competitive aggressiveness.

Small Business Orientation (SBO) is a new strategic conceptual framework developed by Runyan, Droge and Swinney (2008), describing the personal strategies of individual business owners cum their emotional relationship with or attachment to the firm. The SBO concept basically captures the non-economic goals that drive the personal satisfaction of business owners. Several factors have been previously highlighted in the wider literature, which are not related to economic or financial factors but might still drive their firms towards positive performance (Chrisman et al., 2010). They include the business owners' personal goals (Tagiuri and Davis, 1992; Gomez-Mejia et al., 2007); socio-emotional wealth (Berrone et al., 2012); and commitment and dedication to its continuance (Cooper and Artz, 1995). Therefore, Small Business Orientation is presented as a distinct concept from Entrepreneurial Orientation to the extent that organisational behaviour is premised on the owners' personal goals and purpose and his emotional attachment to the business. Hence, generating more studies to broaden the knowledge base of SBO is particularly important to the field of family business. This is because there have been assertions in the literature before now that familial resources (resources embedded in the family's goals and values) might be partly responsible for the competitive advantage that family firms have over their non-family counterparts (Chrisman et al., 2005). The

two dimensions of Small Business Orientation as presented by Runyan et al., (2008) are purpose and goals, and emotional attachment.

Environmental Dynamism and hostility are the two most common environmental dimensions used in extant literature to assess the threat to the viability and performance of organisations. While environmental dynamism captures both the rapid changes in a business' environmental conditions and the unpredictable change between its customers and competitors (Khandwalla, 1977), environmental hostility indicates scarcity and intense competition for environmental resources (Lumpkin and Dess, 2001). When environmental dynamism is shrouded in uncertainty it manifests mainly in the key operating concerns of the firm and may subsequently adversely affect the performance of firms (Miller and Toulouse, 1986). A hostile environment is characterised by precarious industry settings, intense competition, harsh business climate, and the relative lack of exploitable opportunities (Covin and Slevin, 1989: 78). These two environmental characteristics are used in this study as moderators.

The study of performance in family businesses is a research field generating continuous scholarly interest. This is due to a number of reasons among which are the divergent views on how performance should be measured in family businesses and whether the family business goal is family oriented or business oriented (Sharma et al., 1997). Thus far, researchers and scholars have employed different approaches for exploring performance in family businesses, depending on the type of business and size. For instance, most studies tend to compare the performance of family firms with non-family firms, as a way of evaluating the performance of family firms (Daily and Dollinger, 1992; Beehr et al., 1997; Westhead and Cowling, 1998; Anderson and Reeb, 2003a; Chrisman et al., 2004; Lee, 2006; Villalonga and Amit, 2006; Alloche et al., 2008). Some other researchers have used financial indices such as 'ROA', 'ROE', 'Tobin's q'

(Anderson and Reeb, 2003b; Lee, 2006) and other non-financial indices like ‘conflict’, ‘turnover intention’ (Beehr et al., 1997), ‘efficiency’, ‘value’ (McConaughy et al., 2001), and ‘family members’ satisfaction with performance’ (Mahto et al., 2010). Besides direct financial and non-financial measures of performance, self-assessment measures of financial performance are also becoming popular in usage and coverage in family business studies (Wiklund and Shepherd, 2003). It is not uncommon to find that most small businesses do not use and present audited financial reports, however, they still maintain adequate cash flow and sales records which are used for personal and funding purposes. Consequently, studies using self-assessment method to investigate the financial performance of small businesses are increasing in the extant literature. Family firms are asked to compare their businesses with those of their known competitors in terms of ‘profitability, sales growth, market share, cash flow, growth of net worth, and employee size’ (Wiklund and Shepherd, 2003; Kellermanns and Eddleston, 2006; Naldi et al., 2007; Wang, 2008; Chirico and Sirmon, 2011; Brice, 2013). Although self-assessment measures in general may be prone to bias, their use as a measure of performance is both common and reliable (Kraiczy, 2013).

The above points infer that in studies involving publicly traded companies, the use of financial indices are more common, however, when investigating small businesses, which is more prevalent in Africa, the use of the well-tested and acceptable self-assessment measures, such as comparing with known competitors and the business itself (over a three-year or five-year period) is recommended. In this study, performance is measured using self-assessment measures, which are premised on the research context (mainly small family businesses) and location (Nigeria).

1.3 Statement of Problem

Family businesses in Nigeria have the potential to contribute significantly to the economy of the

country. However, to survive and thrive in a harsh business environment such as the one that obtains in Nigeria, family businesses must employ multiple resources and strategies. Entrepreneurship Orientation (EO) is a well established strategic construct that has been empirically and theoretically linked to positive firm performance in the extant entrepreneurship literature. A few researches in Nigeria have highlighted the need for Nigerian SMEs to adopt entrepreneurial practices for them to be relevant both locally and internationally (Mata and Aliyu, 2014; Shehu and Mahmood, 2014; Owoseni and Adeyeye, 2012). However, clear empirical studies showing the link between EO and the performance of family businesses and/or SMEs are very limited. The few studies on family businesses are mainly descriptive and theoretical, while majority of the studies on SMEs are theoretical. The various factors affecting SMEs in Nigeria have been identified as poor infrastructure, corruption, lack of funding, gaps in training (Adisa et al., 2014; Okpara and Wynn, 2007), and the government is working on various policies through the apex bank, the Central Bank of Nigeria and SMEDAN to address these challenges. Nevertheless, recent theoretical and empirical studies on Nigerian SMEs are still highlighting these issues as major constraints to the survival of SMEs in Nigeria (Adisa et al., 2014). This shows that while most studies in westernised nations have identified strategic factors influencing the performance of SMEs in their countries, studies in Nigeria mainly concentrate on failures of this sector.

Furthermore, to date, there is still no specific study of EO and its association with the performance of family businesses in Nigeria, particularly looking at the influence of family culture on Nigerian small businesses. In addition to this, most of the identified researches in the literature on Nigerian family businesses are also limited to states (such as Rivers, Edo, Gombe) which are homes to mostly minority ethnic groups, and therefore not fully representative of the Nigerian population.

Another important gap is the lack of empirical studies investigating the relationship between strategies that promote non-economic factors (such as small business orientation) and the performance of family businesses and SMEs in Nigeria. This is especially important in Nigeria because of the huge informal factors that guide the way businesses are conducted in the country and generally in Africa (Lyon and Porter, 2009; Khavul et al., 2009). Therefore, the factors that truly drive performance in these family businesses and SMEs are yet to be fully understood within the Nigerian context. Several identified gaps such as small sample sizes, limited representation of samples across the Nigerian populace, inconclusive findings on the performance of family businesses and SMEs, coupled with few empirical studies on the relationship between EO and other strategic orientations, call into question the previous understanding of the factors responsible for positive firm performance of family businesses and SMEs in Nigeria.

Finally, there is a need to draw the attention of policy makers to family businesses in Nigeria. Policy makers need to understand the factors that determine their performance so that they can come up with viable policies and development programmes to promote strategic orientations and familial resources in family businesses. They would also need to create an enabling environment for EO and SBO to drive within family businesses by enacting friendly policies in this regard.

1.4 Research Objectives

The overarching objective of this thesis is to examine the relationships among five constructs, namely family involvement (represented by family culture), Entrepreneurial Orientation, Small Business Orientation, business environment (environmental dynamism and hostility) and firm performance, using a representative sample of Nigerian family businesses. The scarcity of research in this area shows a knowledge gap, especially within the Nigerian context.

This study focuses on addressing this gap to enable it provide future directions for family firm owners and/or managers, founders, and policy makers in Nigeria. Consequently, this study particularly seeks to address the question of whether or not family cultures possess the potential to influence firm performance positively within the family business. The dissertation also sets out to determine ‘if’, and ‘to what extent’, family culture influences Entrepreneurial Orientation and Small Business Orientation in Nigerian family firms. The specific objectives that guide this study are as follows:

- to review and analyse relevant theoretical literature that focuses on family business (family involvement), family culture, Entrepreneurial Orientation, Small Business Orientation and business environment;
- to generate a set of empirically tested hypotheses linking family culture, Entrepreneurial Orientation, Small Business Orientation, business environment and firm performance within the research of context family businesses;
- to operationalise the theoretical constructs, and then empirically test the hypotheses using appropriate quantitative research techniques;
- to explore the associations between family culture, Entrepreneurial Orientation, Small Business Orientation, business environment and firm performance within family businesses in Nigeria;
- to investigate if there is a difference in the level of family culture, based on variables such as ethnicity, gender and generational control; and
- to discuss empirical and practical contributions of the research findings, assess the

limitations of the study and also present suggestions for future research.

1.5 Research Questions

This research is guided by the following questions, which are premised on the overarching research question: what contextual factors shape or determine the performance of family businesses in Nigeria? The questions are as follows:

- i. Does family culture affect the performance of family businesses in Nigeria?
- ii. a. Which of the EO dimensions affect the performance of family businesses in Nigeria?
b. Which of the EO dimensions is predicted by family culture in Nigerian family businesses?
c. Which of the EO dimensions moderate the relationship between family culture and firm performance of Nigerian family businesses?
- iii. a. Do SBO affects the performance of family businesses in Nigeria?
b. Is SBO predicted by family culture in Nigerian family businesses?
c. Do SBO moderate the relationship between family culture and firm performance of Nigerian family businesses?
- iv. Do environmental factors such as environmental dynamism and hostility moderate the relationship between family culture and firm performance of Nigerian family businesses?
- v. Is there a difference in the level of family culture and firm performance of Nigerian family businesses based on ethnicity?
- vi. Is there a difference in the level of family culture and firm performance of Nigerian family businesses based on gender?
- vii. Is there a difference in the level of family culture and firm performance of Nigerian

family businesses based on the generation controlling the business?

1.6 Scope of Research

This research is focused on small scale and medium scale family businesses in Nigeria. Therefore, the findings and conclusions drawn from the research can only be cautiously and restrictively applied to a wider setting. The choice of Nigeria as the research site is basically due to the research gap identified in the existing literature on the country. Lagos State, the commercial centre of Nigeria is chosen as the research location because it is a home for families from almost all the tribes and ethnic groups in Nigeria. The firms selected are heterogeneous family firms which cover businesses that are in their first, second and third generation; no restriction is also placed on the industry type. The Small and Medium Scale Enterprises of Nigeria (SMEDAN) provided some assistance in identifying family businesses within their recently concluded 2010 nationwide survey.

1.7 Contribution of the Research

This section briefly summarises the intended contribution of this study to research. Detailed specific contributions will be dealt with in chapter six. The dissertation aims to contribute in the areas of theory and practice.

1.7.1 Contribution to Theory

The findings of this research provide a theoretical contribution to the existing body of knowledge on family business, Entrepreneurial Orientation (EO) and Small Business Orientation (SBO). The theoretical contribution of this study includes a better understanding of the strategic importance of family culture and Small Business Orientation, for the performance of family businesses, an area in which there are limited empirically tested studies. This enhances the understanding of the concept of EO within the context of Nigerian family businesses in

comparison to North America, Australia and Western Europe, where EO has been widely used and SBO is a new concept (that has only being used in the US). The findings of this study would provide clarity on how Nigerian family businesses (sampled in this study) implement the four EO dimensions: autonomy, innovativeness, proactiveness and risk-taking, in their firms. How the behaviour of Nigerian family businesses differs from the ones reported in relevant literatures in these westernised countries would also be another significant theoretical contribution of this thesis.

In investigating family culture closely, the inherent values of families behind the businesses in Nigeria are also identified. How this differs from those identified in the studies carried out in other countries where the same construct has been used would be another significant contribution to theory. In doing this, this study attempts to fill in the gap in previous studies by identifying the other sources of competitive advantages within the family business domain (Habbershon and Williams, 1999; Chua et.al., 2003).

Empirically, this study is considered to be the first attempt to understand the influence of family culture on the performance of family businesses (and SMEs) in Nigeria. It is also the first clear empirical attempt to understand the implementation of independent EO dimensions within Nigerian family businesses. The further investigation of whether EO contributes to the performance of Nigerian family businesses is another significant contribution of this study. In addition to this, the introduction of a second strategic orientation (SBO) that is highly relevant to the Nigerian cultural and business environment, coupled with the investigation of its contribution to performance of Nigerian family businesses, is a significant contribution to theory. In investigating SBO, this thesis is able to add to the scanty body of knowledge on the concept while also responding to the call for further testing by Runyan et al. (2008).

In investigating the level of family culture in Nigerian family businesses based on ethnicity, gender and generational control, this thesis contributes significantly to studies on family business by broadening current insights on the role of women in family businesses, especially in a patriarchal society such as Nigeria. Despite the huge disparity between male (166) and female (71) owned and managed businesses, this thesis still find a higher level of family culture in female-led businesses. It is not the norm for families in Nigeria to transfer the family's business to a woman; most would transfer their businesses to the oldest male child, because of the patriarchal nature of the Nigerian culture (Makama, 2013).

Another interesting, though unexpected finding which needs to be further investigated to ascertain its relevance within the Nigerian context, is the insignificant difference in the levels of family culture based on ethnicity. There are several possible reasons for this, the most plausible being that the national culture of Nigeria is more embedded in families than the individual cultures of the four ethnic groups (Yoruba, Hausa, Igbo and the Minority group). This implies that there are no inherent differences in the variables that connote family culture in this study (family values and commitment to the family goals) across the four ethnic groups.

A further contribution to theory within the Nigerian context is the significant difference in the level of family culture in family businesses that are controlled by the first generation and those controlled by the second generation. The finding of this investigation found a higher level of family culture in businesses controlled by the first generation than those controlled by the second generation.

1.7.2 Contribution to Practice and Policy

In contributing to practice, this study offers new insights for owners and managers of family

businesses in Nigeria by identifying factors (both inherent and behavioural) that contribute to positive performance of their firms. This thesis seeks to reinforce the importance of Entrepreneurial Orientation, which encourages entrepreneurial behaviour in formulating strategies that would ensure positive performance in a difficult economic climate. However, it is important to encourage Nigerian family businesses to evaluate and identify the EO dimensions that would add value to their firms.

The importance of family values, strong commitment and other inherent cultural traits such as loyalty, trust and harmony of family goals and purpose is also being reinforced in this study. This will also offer additional insights to family businesses in Nigeria on the values to pay particular attention to while driving their businesses for superior performance.

In terms of policy implications, this study provides a solid foundation for Nigerian policy makers to develop viable strategies to support the business activities of family businesses in Nigeria. This thesis also highlights important factors to consider while formulating these policies which would enable policy makers develop effective policies that would encourage optimal positive performance in Nigerian family businesses.

1.7.3 Contribution to Education and other Researchers

Entrepreneurship education in high schools and colleges is still an evolving aspect of formal education in Nigeria. Nevertheless, there is still a need to develop a rich curriculum comprising of different types of businesses in order to provide clear insights in this field.

Specifically, the prevalence of family businesses globally and in Africa should qualify it as an independent subject of discourse within the Nigerian educational system. This study therefore seeks to create awareness to relevant authorities in the education ministry on the importance of instituting the study of family business as an independent subject both at the secondary and

tertiary institutions of learning in Nigeria.

For researchers, this study provides the avenue for future researchers to replicate and validate the findings of this research in other countries both within and outside the African Continent. Precisely, other researchers can use the thesis' research framework to explore the relationship between family culture, EO, SBO and business environment. This framework can also be extended to conduct comparative studies that would recognise national cultures, specific industries, publicly-quoted family firms and both founder-led and descendant-led family firms.

1.8 Research Method

In this thesis, the quantitative method of research is adopted. The extensive review of the literature carried out enabled this thesis to produce a conceptual framework which was tested empirically using primary data collected from a sample of 237 family business owners, to address the research questions.

The sample was drawn from the databank of the Lagos Office of the Small and Medium Scale Enterprises Development Agency of Nigeria (SMEDAN). Descriptive statistics is first employed to analyse and interpret the statistical characteristics of the sample and variables. Thereafter, the hypotheses are empirically tested using multiple regression methods, one-way ANOVA test, and independent t-tests. Regression analyses are used to test the direct relationships between family culture and firm performance; EO and firm performance; and SBO and firm performance. Andrew-Hayes' PROCESS for regression analysis is used to test the moderating effect of environmental dynamism, Small Business Orientation and the dimensions of EO on the family culture and firm performance relationship (Hayes, 2013). One-way Analysis of Variance test and independent t-test are used to investigate the levels of family culture and firm performance based on the following parameters: ethnicity, gender, and the generation controlling the business.

1.9 Structure of the Thesis

This dissertation contains six chapters which provide the following details: introduction, literature review, conceptual framework, research methodology, data analysis and interpretation, discussion, and finally, conclusions and recommendation.

1.10 Chapter Summary

This chapter presented an introduction and an overview of the thesis. To be precise, the following aspects of this dissertation were outlined and discussed: background of research, statement of problem, definitions of key variables employed in the research, research objectives, research questions, scope and structure of the entire thesis.

In this chapter, the importance of family culture as a source of competitive advantage in family firms was highlighted. Subsequently, the need to assess other strategic orientations in the context of Nigerian family businesses was also identified. Hence, emphasis was placed on the requirement for more research in these areas; particularly on the harnessing of the intrinsic resources present in family culture and how these can be source of competitive advantage which will positively affect the performance of family businesses in Nigeria.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

“A great family makes a great company; a great company makes a great family”.....Gildo Zegna, Chief Executive Officer- Zegna Group.

These are the words of Gildo Zegna, the grandson of Ermenegildo Zegna on the company's official website. Zegna group, a company founded in 1910, is one of the oldest and most successful family businesses in Italy. It is currently being managed by its fourth generation. Presently, the company has strong and significant operations in both mature and emerging markets worldwide. Gildo Zegna's words carry a significant message suggesting a possible advantage of family involvement in a firm. Zegna is one of the very few family business empires that have grown from very 'humble trading beginnings' to huge conglomerates and whose influence on the economies of their resident countries cannot be ignored.

This chapter therefore, is a review of literature on family businesses. It also attempts to critically review other relevant literature that led to the development of a framework for research and the attending hypotheses to address the research questions outlined in Chapter One. The chapter contains 15 sections, including this introduction. It explains the focus of this thesis on family businesses; gives a brief overview of the field of family business; examines the foundation of family business research; discusses the evolution of family business as a research field; and gives an overview of the definitional issues plaguing family business. It also identifies and briefly discusses the components of family involvement; and the relationship between family involvement and firm performance.

Also in this chapter, the theoretical framework adopted in this research and the hypothesis to be tested was introduced. It discusses the resource-based view of the family firm as the overarching

theory adopted in this thesis; presents the hypotheses to be tested: the relationship between family culture and firm performance; the relationship between entrepreneurial orientation ‘EO’ and firm performance; the moderating roles of EO on the family culture-firm performance link; the relationship between small business orientation and firm performance; the moderating roles of small business orientation on the family culture-firm performance link. Finally, it discusses the moderating role of environmental dynamism on the relationship between family culture and firm performance.

2.2 Overview of Nigeria

Nigeria is a nation with 250 ethnic groups which are located in its six geopolitical zones (North-West, North-East, North-Central, South-West, South-East and South-South). The three most populous and politically influential ethnic groups are Yoruba (South-West), Hausa-Fulani (North) and Igbo (South-East). The other ethnic groups, classified as the minority are scattered across the six geopolitical zones of the country. Although, Nigeria’s federal structure provides the required balance for its fragmented geographical zones, the country has also worked hard on representing the six geopolitical zones equally in the governance of the country. Nigeria’s capital city, Abuja is located in the North, while its commercial centre, Lagos is located in the West.

The two major religions in Nigeria are Christianity and Islam. However, a fragment of its population still engages in traditional worship.

Nigeria is the most populous country in Africa and accounts for over half of the population of West Africa. The population of Nigeria is currently estimated to be 179 million (Countrymeters, June 2015). Until very recently (March, 2014), Nigeria was the second largest economy in Africa, following closely after South Africa but due to the rebasing of the country’s Gross Domestic Product (GDP) data in April, 2014, Nigeria is now ahead of South Africa as the

Continent's biggest economy.

Nigeria is also the largest oil producer in Africa, and 75% of its government revenue is from the oil industry (US EIA, 2012). Several reports on the Nigerian economy however, suggest that although the country is highly dependent on oil, most of the rapid growth it witnessed in the last five years occurred mostly in the non-oil sector (Africa Progress Report, 2014; US EIA, 2012).

In Nigeria, the non-oil sector is mostly made up of small and medium-scale enterprises (SMEs), an IFC report put the percentage of SMEs in Nigeria at approximately 96% of all Nigerian businesses (Oyelaran-Oyeyinka, 2010). The probability of family businesses being a significant element of this figure is also very high because most businesses in developing countries are built around families (Khavul et. al., 2009). However, despite this high prevalence of SMEs in Nigeria, the sector is struggling due to various constraints. A survey by the World Economic Forum identified the access to financing, corruption and infrastructure as barriers to the growth of SMEs in Nigeria (Africa Progress Report, 2014).

2.3 Why Study Family Businesses?

Family businesses have been identified as the most common form of business organisation in the world (Colli, 2003). They are posited to be the building blocks of stable economies. Several studies carried out in western developed countries have identified family businesses as important drivers of these regions' economic growth (Fletcher, 2010; Pearson et al., 2008; Lee, 2004; Zahra, 2005; Chrisman et al., 2005; Anderson and Reeb, 2003a; Westhead and Cowling, 1998). To be more precise, several scholars have argued that family businesses contribute to the continuous development of western countries through their involvement in job creation and new venture creation (Zahra, 2003; Westhead and Cowling, 1998); increased Gross Domestic and National Products (GDP and GNP) (Cappuyns et al., 2003; Astrachan and Shanker, 2003; Heck

and Stafford, 2001); and economic growth and social stability (Astrachan et al., 2002). Beyond that, various families' wealth, both in the past and at present have been identified in Western Europe and North America as being significant to the regions' development socially and economically (Bertrand and Schoar, 2006; Astrachan and Shanker 2003; Colli and Rose, 2003; Heck and Trent, 1999). Generally, by nature, a family behind a business is more inclined to re-invest in it than owners of other types of firms, because the motivation to continuously increase the family's wealth for future generations is more innate than tangible. Supporting these innate virtues of the family towards the business is a recent quote by Christopher Bernard of KPMG: "longevity is in the family – Not the business."

2.3.1 Why Study Family Business in Nigeria?

Established in the family business literature is the potential wealth creating capacities of family businesses (Sharma and Carney, 2012; Morck and Yeung, 2004). This is particularly true for developed countries who can statistically trace certain percentages of their GDP to the contribution of family businesses resident and operating in their individual countries (FFI, 2015). However with regards to Africa, and specifically Nigeria, there are only speculations that family businesses may be a significant contributor to economic growth (Khavul et.al. 2009). There are lack of empirical evidence and statistics to back this claim.

Providing empirical evidence on family businesses is critical to aiding the development of policies, to guiding the real sector of the Nigerian economy and reducing the country's over reliance on the oil sector. Reports on Nigeria indicate that the country depends mostly on income generated from oil (approximately sixty-five percent) (Nigeria Country Profile, 2008, extracted on 04/12/2010); Onayemi and Ishola, 2009). However, despite this huge income from oil exportation, its contribution to the country's GDP is less than twenty-five percent (Nigeria Country Profile, 2008, extracted on 04/12/2010).

More information gathered on Nigeria identifies some sectors which are predominantly present in small to medium scale businesses as mostly owned by families. These sectors are: agriculture, farming, poultry, animal husbandry, trading, importation, exportation, petty trading and small-scale manufacturing. These sectors are believed to employ over half of the country's population and also contribute approximately fifty-three percent of the country's GDP (Country Profile: Nigeria, 2008, extracted on 04/12/2010).

Furthermore, informal reports and local surveys on Nigeria also state that small businesses occupy significant economic position in the country (Ukoko, The Punch Newspapers: 02/08/14). Although there are limited actual data available, various bulletins from the Central Bank of Nigeria (CBN) state their contribution to employment and the GDP as being important. In addition to these reports, newspaper publications comment that businesses owned and managed by well-known Nigerian families have significant macroeconomic importance to the country. The lack of structured and empirical researches on family businesses, with focus on factors responsible for their growth and positive performance may be one of the challenges affecting the actual development of the Nation's real sector (Ukoko, The Punch Newspapers: 02/08/14). Consequently, there is a need for empirical studies on Nigerian family businesses, which might commence with replicating constructs that has been well-tested and used in identifying intrinsic resources embedded in the family system in Europe and North America.

2.4 Family Business Research – An Overview

In recent years, family business has become an increasing area of interest for academics, scholars, practitioners, policy makers and researchers. This is due to the prevalence of family businesses globally and their dominant role in the economies of most nations (FFI, 2105; Bruton et.al. 2008; Anderson and Reeb, 2003b; Faccio and Lang, 2002; Claessens et al., 2000). Existing literature suggests clearly that family businesses also play significant roles in the success stories of the

present crop emerging economies such as China, Indonesia, and India. Family firms are recorded in history to have occupied an unequivocal position in the economic landscape of old industrialised or developed countries, maintaining significant lead in most sectors (Colli et al., 2003; Cappuyns et.al. 2003). This prolonged dominance of family businesses in some of these countries: the United States of America, South America, Britain, Germany, Italy, India, and China, mentioning a few, might be responsible for the rigorous interest in the field.

These success stories of family businesses globally however do not imply that there are no negative publications on them (Barth et al., 2005; Schulze et al., 2003). Some theoretical write-ups and a few empirical evidences suggest that conflicts among family members might arise over important decisions concerning their family business (Eddleston and Kellermanns, 2007; Kellermanns and Eddleston, 2004; Schulze et al., 2003; Dyer, 1986; Levinson, 1971). The argument by these researchers is that the conflicts that oftentimes make corporations predisposed to failure are most likely to occur within family businesses than non-family businesses (Kellermanns and Eddleston, 2004; Schulze et al., 2003b). Aside conflict, some other challenges associated with the failure of known family businesses in the past which have also been mentioned in literature on family business include, nepotism, trans-generational succession issues, sibling rivalry, unwillingness to source for outside finance when and/or if the need arises (Schulze et al., 2001; Dyer, 1986).

However, despite the above-mentioned negativities surrounding family businesses, the overarching empirical evidence that abound in literature still suggest that they are significant contributors to superior firm performance above non-family controlled organisations (Chrisman et al., 2003; Morck et al., 2000). The following are some examples of businesses with significant family involvement in different countries, most of these firms are (or were) known brands globally: Wal-Mart (the Waltons), and News Corporation (the Murdochs) in the United States

of America; Sainsbury (Sainsbury was a mainly family owned and dominantly family managed firm for 129 years up until 1998 when David Sainsbury, the last family Chairman of the organisation retired) in the United Kingdom; Peugeot in France; Kongō Gumi (founded in 578, acquired by Takamatsu Corporation in January 2006) in Japan; Tata Group in India; Agnelli (major investor in Fiat); Benetton Group; Luxottica Group; Zegna Group in Italy; The Salvat company in Spain (founded in 1869, developed from a small family-owned Catalonian publishing house into a world-rated large publisher in Spanish language in the 1970s); and Lum Chang Holdings in Singapore. Most of these companies are still very much in existence playing continuous positive roles in employment generation and GNP of their respective countries. Other global brands linked to generations of family involvement include: Mars (makers of confectionery, pet foods and other food products), Paco Rabanne (manufacturers of world-known beauty product brands), Toyota, Ford, Hyundai, Samsung, Marriot Corporation, Hilton, Red bull, Lego, L'Oreal, BMW, Porsche, Korean Air, Australia Zoo, Hennes and Mauritz (H&M), IKEA, Swatch, Heineken, and Coca-Cola. History also records some of the oldest businesses that ever existed on this planet as family businesses (Colli et al., 2003). A notable example is Kongō Gumi of Japan (578-2006) which lived for 1,428 years. This company outlived many governments and nations while playing a significant economic role in Japan.

In Africa, wherein the focus of this thesis lies, there is very limited information on family businesses. Most empirical studies and scholarly articles on Africa are on entrepreneurs and their businesses but these oftentimes lack any form of linkage to families and/or their firms (Cappuyns et.al. 2003). Given the importance of family businesses to the global economic landscape and the speculations that it may also be the dominant form of business within the African continent (Bruton et.al. 2008), this is surprising. There is a recent report by Forbes (2014) of some leading businesses in Africa with high family involvement. This is supported by statistical data supporting

the possible significant influence of family-involved businesses on the economic landscape of Africa as shown in table 2.1 below.

In addition to the list in table 2.1 below, some other well-known family businesses in Nigeria are ‘The Mike Adenuga Group of Companies- comprising of Conoil Producing Nigeria Limited and Globacom Limited; Ekene Dili Chukwu Group of Companies; Honeywell Group Nigeria; Sani Brothers Group of Companies; Isyaku Rabiun and Sons; Kabo Holdings; Mai Deribe’s Ventures; Nigerian Tribune; Henry Stephen’s Group; First City Group; Adebola Adegunwa Group; The Punch Newspaper; Folawiyo Group of Companies; Eleganza Group; Elizade Group; Orange Drugs Group; Doyin Group; BUA Group; AIT Group of Companies; and Ibeto Group.

TABLE 2.1: Family Business in Africa

Name of Business	Founder’s Country	Year Founded	Nature of Business	Annual Income
Dantata Group	Nigeria	1910	Conglomerate: 2 Countries	US\$300 Million
Ibru Group	Nigeria	1957	Conglomerate: 1 Country	Not stated
Rembrandt Group	South Africa	1966	Manufacturing: 35 countries	US\$10 Billion
Pick and Pay	South Africa	1966	Conglomerate: 7 countries	US\$104 Million
Mohammed Enterprise Ltd	Tanzania	1960	Conglomerate	US\$5 Billion
Bakhresa Group	Tanzania	1963	Conglomerate: 9 Countries	US\$300 Million
Bidco Oil Refineries	Kenya	1970	Conglomerate: 3 countries	US\$500 Million
Ramco Group	Kenya	Early 1940s	Conglomerate: 4 countries	US\$220 Million ¹
Kenyatta	Kenya	Late 1960s	Conglomerate in Kenya only	US\$500 Million ²
Madhvani Group	Uganda	1914	Conglomerate in 3 Continents	US\$100 Million ³

Forbes Report by Mfonobong Nsehe (2014); Updated by this Thesis (2014)

¹Figure for Ramco Group is their annual turnover

²Figure for Kenyatta’s family net worth

³Figure for Madhvani Group is their annual turnover

Most of these Nigerian family businesses have transcended second and third generations, with only just a few still in their first generation. Further in this section, the following aspects of family business would be discussed briefly: its prevalence; and economic relevance and role in providing stability.

2.4.1 The Prevalence of Family Business

Family businesses have been widely suggested in the literature to be the most prevalent form of enterprise in the world (Zellweger et al., 2010; Allouche et al., 2008; Zahra 2003). They are also

known to constitute a major part in the economic and social life of developed western market economies (Cappuyns et al., 2003). This is why research on the same has been a recurring scholarly interest for the past three decades.

Family businesses are known to precede other forms of market structures (Collins and O'Regan, 2011). The general opinion in the literature suggests that they are the platform on which other market structures are built on (Colli et al., 2003; La Porta et al., 1999). The historical presentation of the long existence of family businesses and their wide spread, pervasion of the most developed and emerging economies led to the popular argument that they might surpass non-family businesses numerically.

Generally and despite variations between findings of studies conducted in different countries, the most moderate figure given for businesses owned, controlled and/or managed by families globally is between sixty to ninety per cent (Gama and Galvão, 2012; Dreux, 1990). The recent FFI (2015) report suggests that family businesses account for two-thirds of all businesses around the world. This has also been confirmed by specific studies (with details below) conducted in developed countries such as Australia, North America, the United Kingdom and Germany (Villalonga and Amit, 2006; Zahra et al., 2004; Olson et al., 2003; Cappuyns et al., 2003) and some parts of Asia and Africa.

North and South America

In literature on family business, North America accounts for over half of the studies carried out to develop the field of family business till date (Khavul et al., 2009).

Given that various studies indicate that most privately owned enterprises in North America are built around families, it has been widely suggested in most literatures that family enterprises might be the most predominant type of business in this region (Astrachan and Shanker, 2003).

Specific findings from studies emanating from North America have given approximate figures for family owned businesses as between eighty to ninety percent of all business enterprises within the region (Astrachan and Shanker, 2003).

It is also estimated that more than forty percent of the Fortune 500 companies in the US are either family-owned or family-controlled (Villalonga and Amit, 2006; Anderson and Reeb, 2003a). In year 2002, a study carried out by Chrisman, Chua and Steier using data from the Small Business Development Centre in the United States of America identifies approximately eighty percent of new ventures that recorded assistance from the centre as displaying characteristics of family businesses (using the definition by Chua, Chrisman, Sharma, 1999). Recent statistics from Harvard Business School recorded by FFI (2015) suggest that at least half of the businesses in the US are owned by family businesses.

In Canada, reports of the prevalence of family businesses are similar to those in the US (Ibrahim et al., 2009). Most small family businesses in Canada can be grouped as family businesses based on their ownership, management and governance structures (Ibrahim et al., 2009).

In Republic of Ecuador (Southern America), a significant proportion of businesses in the manufacturing sector are linked with small families (Foley and Jermyn, 2006). Brazil is a country which houses significant numbers of twentieth-century old family owned firms that are mostly in their fourth and fifth generations (Family Firm Institute, 2010). Specific figures put family business prevalence in Brazil to approximately seventy percent (Family Firm Institute, 2010). The prevalence of family businesses in America (especially North America) suggests that their significance was, is and might continue to be relevant in the socio-economic development of the region.

Europe

Most data available in the family business literature are from Western Europe and few are from Central and other parts of Europe. In Western Europe, mostly United Kingdom, Italy, Spain, and Germany, family businesses are viewed as the bedrock of their economy. Different studies have established that family businesses have significant macroeconomic importance to these countries, dominating small and medium-sized enterprises in most and larger firms, in others (Westhead and Howorth, 2006; Bertrand and Schoar, 2006; Facio and Lang, 2002; Colli et al., 2003; Lee and Peterson, 2000; Westhead and Cowling, 1998). In the UK, it has been posited that seventy to seventy-five percent of businesses in the country are family businesses (Cappuyns et al., 2003), with the recent IFB (2008) report placing the figure at approximately sixty-five percent. Research in Italy records approximately ninety-three percent of manufacturing enterprises with less than fifty employees in the country as family-controlled (Bank of Italy, 2004)^{2*}. Reports on Germany categorise approximately eighty percent (about two million) of all German manufacturing companies as family controlled and concludes that family businesses are the "backbone" of the German economy (Kayser & Wallau, 2002). Findings from other European countries indicate the prevalence of family businesses in each nation as follows: Austria- seventy percent (Cappuyns et al., 2003); Denmark- eighty percent (Bennedsen et al., 2007); Finland- eighty percent (Koiranen, 2002a); France- sixty percent; Belgium- seventy percent (Cappuyns et al., 2003); Ireland – approximately fifty percent (Central Statistics Office, Government of Ireland, 2008). Overall across Europe, between seventy to eighty percent of enterprises are regarded as family businesses (Mandl, 2008)^{2*}. In Western Europe, similarly to North America, the dominant presence of family-involved businesses cannot be ignored.

² *- Information extracted from the 'European Commission, Enterprise and Industry Directorate-General, 2008 Final Report'. November, 2009.

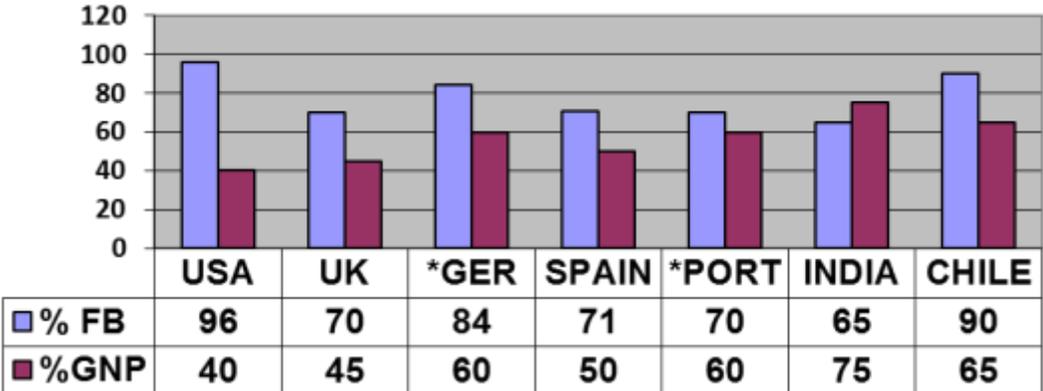
^{2*} - Mandl, I. (2008). *Overview of Family Business Relevant Issues*, Final Report, Austrian Institute for SME Research, Vienna, 31. 7. 2009,

The economies of these two regions (Northern America and Western Europe) in business history were mostly built around families and their entrepreneurial activities.

The International Family Enterprise Research Academy (IFERA), an international body with a collection of known researchers from different countries, in their attempt to provide clarity on the actual importance of family businesses globally, contacted seventy individuals from approximately forty-five countries between January and August 2002 (Cappuyns et al., 2003).

The purpose was for them to complete a questionnaire-based survey in their respective countries providing data on family businesses. They recorded a response rate of sixty percent from all countries contacted, except for Africa where they did not get any response at all. Figure 2.1 below was developed based on figures from their findings. Figure 2.1 below shows that aside from the widespread of family businesses in the nine countries mentioned in IFERA’s report, the percentage contribution of FBs to the Gross National Product (GNP) of these countries are significant.

Figure 2.1: Prevalence and Percentage Contribution of Family Businesses to the GNP of Different Countries



*FIGURE 2.1. The prevalence of Family Businesses (FB) and % Contribution to the Gross National Products (GNP) of 9 countries. Figures adapted from Cappuyns et al., 2003 (Survey carried out by International Family Enterprise Research Academy 'IFERA'). * GERM-Germany; *PORT- Portugal*

Although not shown in figure 2.1, IFERA’s report also mentions that the presence of family businesses is significant in some parts of Asia (particularly China, India and Indonesia), with its attendant effect on their GNP. Family Firm Institute Global Data Report for 2010 state that

Chinese family businesses control a significant proportion of Asia's wealth.

Africa/Nigeria

In a recent global monitor update compiled by the Family Firm Institute Inc. (FFI, 2010), the only information available on family businesses in Africa was on South Africa and this was extracted from a Price Waterhouse Coopers (PWC) report on the country. This lack of information on family businesses in Africa highlights a major gap in literature on family business, and one of the objectives of this thesis is to fill this gap.

In Nigeria, most records of privately owned businesses managed by entrepreneurs are available in newspaper articles and a few researches listed in table 2.2. As evidently shown in table 2.2, more of the researches reported generally focused on SMEs than on businesses or enterprises with family involvement. Moreover, the few available studies on family firms can be categorised as follows: five theoretical, four empirical, two case studies, and two newspaper articles. The two newspaper articles reviewed point out that while family firms may be important to the future wealth of the country, there is a dearth of research on them (Leadership Newspapers, 2014; Ukoko, The Punch Newspapers: 02/08/14; Ogundele, Idris and Ogundipe, 2013; Nwajiuba and Nwajiuba, 2012). Ukoko, Johnmark (2014) during his interview with The Punch Newspapers specifically blamed the failings of some known businesses owned by Nigerian families on the lack of information, and lack of effort by the government to recognise and support them.

Table 2.2 also shows that most of the theoretical and empirical researches on family businesses in Nigeria are limited in scope as most addressed only succession problems in family businesses within a particular region. This approach ignored all other key components of family involvement (ownership, management, governance, family employment and family culture). The performance of these firms was also not investigated in these studies; hence, their relevance to the Nigerian economy of the country cannot be ascertained empirically.

TABLE 2.2: Overview of Researches on Family Businesses and SMEs in Nigeria

AUTHOR	YEAR	TITLE	TYPE	SAMPLE SIZE	FINDINGS
Ekpeyong and Nyong	1993	Small and Medium Scale Enterprises in Nigeria: Their Characteristics, Problems and Sources of Finance	Empirical	150 SMEs	Presentation of general demographics, initial funds for SMEs come from business owners' personal savings, formal financial institutions and subsequently from informal sources.
Mambula, C.	2002	Perceptions of SME Growth Constraints in Nigeria	Theoretical	N/A	N/A
Aluko	2003	The Impact of Culture on Organizational Performance in Selected Textile Firms in Nigeria	Empirical	630 Respondents in Three Textiles Mills	There is a relationship between culture and Organisational Performance
Okpara and Wynn	2007	Determinants of Small Business Growth Constraints in a Sub-Saharan African Economy.	Empirical	396 Small Businesses	The reasons why small businesses don't grow include lack of financial support, lack of management, corruption and poor infrastructure corruption and poor infrastructure
Bewayo, E.D.	2009	Family Businesses in Africa: A Comparison With the US-Western Model	Theoretical	N/A	N/A
Alarape, A.A.	2009	Assessing the Relationship between the Perceived Business	Empirical	279 SMEs	EO is related to Environmental Dynamism and Hostility
Adegbuyi, O.	2009	Strategy Marketing Practice Considerations in Family Business In Nigeria.	Case study	1 Manufacturing Firm	A professional company but has Short term orientation
Oparanma, A.O.	2010	Managing Family Business in Nigeria: Problems and Prospects	Empirical	143 family businesses in Rivers State Nigeria	Adequate capital and strong family relationship do not guarantee success of family businesses
Eseh, Mohd and Adebayo	2011	A Conceptual Framework of Family Business Succession: Bane of family Business Continuity	Empirical	400 Family Businesses	Founder, Successor and environment are factors that jointly affect family business continuity.
Minai, Olusegun and Lucky	2011	The Moderating Effect of Culture on Small Firm Performance: Empirical Evidence	Empirical	182 Entrepreneurs	Neither culture nor its cultural dimensions are significant in moderating the relationship between individual determinants, external factors, firm characteristics and firm performance
Halkias, Nwajiuba, Harkiolakis and Caracatsanis	2011	Challenges facing Women entrepreneurs in Nigeria	Empirical	62 Nigerian female entrepreneurs	Few significant differences was shown to exist between
Ogundele, Idris & Ahmed-Ogundipe	2013	Entrepreneurial Succession Problems in Nigeria's Family Business: A Threat to Sustainability	Theoretical	N/A	N/A
Onuoha, B.C.	2012	Professionalising Family Businesses in the	Theoretical	N/A	N/A

		South-East Region of Nigeria			
Nwajiuba, C.U. and Nwajiuba, C.A.	2012	Sociological Issues in Father-Daughter Business Succession in Nigeria	Theoretical	N/A	N/A
Ogundele, Idris & Ahmed-Ogundipe	2013	Entrepreneurship Succession Problems in Nigeria's Family Business: A Threat to Sustainability	Theoretical	N/A	N/A
Akpor-Robaro and Mamuzo	2012	The Impact of Socio – Cultural Environment on Entrepreneurial emergence: A Theoretical Analysis of Nigerian Society	Theoretical	N/A	N/A
Obadan, J.A. and Ohiorenoya, J.O.	2013	Succession Planning in Small Businesses in Edo State of Nigeria	Empirical	2 Hotels	Family business have no succession plans in place
Johnson, George, Owoyemi and Adegboye	2013	Effects of Socio-Cultural Realities on the Nigerian Small and Medium Sized Enterprises: Case of Small and Medium Sized Enterprises in Lagos state	Qualitative (Interview)	10 SMEs	SMEs are better understood from the aspect of socio-cultural realities
Yusuf and Dansu	2013	SMEs, Business Risks and Sustainability	Empirical	50 SMEs	Standard Risk Management Strategy by SMEs will result to their sustainability.
Ukoko	2014	Why Family Businesses go Extinct in Nigeria	Newspaper Article	N/A	N/A
Adah, Chikelu, Madugu and Chima	2014	Nigeria Businesses Spanning Two Generations	Newspaper Article	N/A	N/A
Aderonke J.	2014	Culture Determinants and Family Business Succession in Jos Metropolis, Plateau State, Nigeria.	Empirical	281 SMEs	Inheritance law, extended family system, age and formal education impact significantly family business succession in Nigeria.
PriceWaterHouseCooper (PWC)	2014	Family Business Survey	Empirical	Not Stated	Potential for growth identified; succession plan in place and well documented; increased internationalisation predicted
Shehu and Mahmood	2014	Influence of Entrepreneurial Orientation and Business Environment on Small and Medium Firm Performance: A PLS Approach	Empirical	511 SMEs	Direct relationship between and EO and Performance of SMEs in Kano.
Mata and Aliyu	2014	The Relationship Between Some Determinants of SMEs Performance in Nigeria: A Qualitative Approach	Qualitative Study	1 SME /Manufacturing Firm	The three items under Market orientation were found to significantly define the construct. The firm also lay a strong emphasis on EO
Eniola and Ektebang	2014	SME Firms Performance in Nigeria: Competitive Advantage and its Impact.	Theoretical	N/A	N/A
Musa and Semasinghe	2014	Leadership Succession Problem: An Examination of Small Family Businesses	Qualitative	8 Small Family Businesses in Gombe	Lack of proper planning by founders for succession is the backbone of this problem

Adisa, Abdulraheem and Mordi	2014	The Characteristics and Challenges of Small Business in Africa : An exploratory Study of Nigerian Small Business Owners	Empirical	152 Small Businesses	Small businesses In Nigeria are characterised by the unemployed citizenry
Yusuff, Olagbemi and Atere	2011	Factors Affecting Small-scale Business Performance in Informal Economy in Lagos State Nigeria: A Gendered Based of Analysis	Empirical	50 Small Businesses	Factors that affect women-owned are significantly different from factor that affect men-owned business
Akpan and Amran	2014	Board Characteristics and Company Performance: Evidence from Nigeria	Empirical	90 Firms	Board education and size are positively significantly related to company's performance
Edewor, Imhonopi and Amusan	2014	Socio-Cultural and Demographic Dynamics in Sustainable Entrepreneurial Development in Nigeria	Theoretical	N/A	N/A
Shehu and Mahmood	2014	The Mediating Effect of Organisational Culture on the Relationship between Entrepreneurship Orientation and Firm Performance in Nigeria	Empirical	511 SMEs	EO and Organisational culture was significantly related to firm performance.
Samson and Mahmood	2014	Integration of Entrepreneurial Orientation and Dynamic Environment of Small and Medium Enterprises: A Case of Nigerian Export Firms	Theoretical	N/A	N/A

Giving further support to the above arguments is the finding of a recent PWC survey of nearly 2400 family business decision makers in over 40 countries (Nigeria inclusive). It was suggested by PWC, based on the statistics collected from their respondents that family businesses in Nigeria are at par and might even give stronger growth indices than their counterparts from other countries (PWC, 2014). They go further to highlight the following in their report on Nigerian family businesses:

- They are more bullish about future growth, with 25% aiming to grow quickly and aggressively in the next five years.
- 65% of them have experienced sales growth over the past 12 months
- 13% of sales in Nigerian FBs are currently international sales; and this is expected to double to 26% in the nearest future
- Approximately 34% of Nigerian FBs have a robust and well documented succession plan in place, (mostly higher than the 16% global average)
- 100% of them that are predicting growth are confident of achieving it
- 85% of Nigerian FBs have at least one procedure or mechanism in place to deal with conflict (global average is 83%)
- On the issue of succession, about 40% of Nigerian FBs are planning to pass on the ownership and management of their firms to the next generation (which is very significant), while 30% are planning to either sell or float the company...*(Curled from the PWC's global survey report on family businesses).*

The above PWC report on Nigerian family businesses further confirms the need for international and local family business researchers to beam their searchlight on this country, due to its current leadership and economic role in the African continent.

2.4.2 Family Businesses' Role in Providing Economic Stability

According to the report generated by the European Family Businesses (GEEF),

family businesses are viewed as a group who are important not only because they make an essential contribution to the economy, but also because of the long-term stability they bring. The specific commitment they show to local communities; the responsibility they feel as owners and the values they stand for (EFB-GEEF, 2009).

Family businesses play a significant role in the economic stability of their host countries as clearly delineated in Colli et al.'s (2003) historical review.

The manufacturing sector of developed and a few emerging economies are known to influence the entire performance and stability of the economy. Empirical evidences from different countries have shown that family businesses play a significant part in this sector (Lyon and Porter, 2009; Naldi et al., 2007; Lee, 2006; Westhead and Cowling, 1998; Ekpenyong and Nyong, 1992). Furthermore, the huge presence of family businesses in labour-intensive sectors such as hospitality, catering, and food businesses (Lee, 2006; Westhead and Cowling, 1998) also show their willingness to commit to long-term businesses, the bane of stability of every economy.

A good example is the current world oldest family business in Japan, Houshi Onsen, which is approximately 1,300 years old and has maintained its job creation function amongst others till date. In Nigeria, the Ibru family are behind several hotels (Sheraton Hotel and Towers, Federal Palace Hotel, Capital Hotel, Ikeja Hotels and Four Point Hotel) and these hotels employ over 5000 employees all over the country. Beyond these, the trans-generational view of almost all family businesses also highlights the stability role of family businesses in the society (Zellweger et al., 2010; Zahra et al., 2004). Studies in Germany specifically record that family businesses may be instrumental to the countries' development beyond the twentieth century and might also be responsible for some stability recorded in the country even during some periods of global recession (Ehrhardt et al., 2005; Schumann, 1999).

Family businesses are known to be good platforms for knowledge transfer and training of the younger generation, especially future successors (Tokarczyk et. al., 2007; Miller and Le-Breton Miller, 2006). This transfer of tacit knowledge from one generation to the other

ensures business continuity. Family businesses are also known to maintain positive firm performance during an economic downturn (Bertrand and Schoar, 2006; Colli et al., 2003). A good example is the steady growth recorded by Wal-Mart (a leading US family business) during an economic downturn in the US in 2010. Wal-Mart emergence as number one in the 2010 Fortune Report taking over from Mobil, the oil giant, suggests that some practices within family businesses might be promoting superior performance over non-family firms under stringent economic conditions.

2.5 Foundations of Family Business Research - Historical Review

According to the French romantic poet, novelist and dramatist- Victor Hugo (1802- 1885), “history is an echo of the past in the future, a reflex from the future on the past.” History represents the account of successes and failures of people, governments, enterprises and events. Examining the history of family businesses may provide in retrospect the ideals that surround their emergence, successes and/or failure.

What defines a family? A family is referred to as a permanent body consisting of individuals who are bound together by ‘obligation’ rather than the ‘contract’ that exists in corporate organisations (Lumpkin et al., 2008). Basically, a family is traditionally made up of father, mother and children (Paterson, 2002). In some rural and typical ethnic societies, extended family members made up of brothers, sisters, cousins, uncles, aunties, grandparents are important when defining the family (Teachman et al., 2000). In Nigeria, the family is defined as a group of persons united by ties of marriage, blood and/or adoption (Samuel and Adeola, 2006). The U.S. Census provides a broad definition for family: *‘a group of persons (two or more) related by birth, marriage or adoption and residing together’* (U.S. Bureau of the Census, 1998c).

From this definition, *family in the context of a family business can be defined as a*

group of people related either by blood or marriage to the founder or founders of the business (Uhlaner, 2006- direct quote from Poutziouris et al., 2006). Individual family members in this case, become automatic members of the family business, by virtue of blood or marital connection. Thus, there is a natural bond between the business and the family. The uniqueness of family businesses therefore, emerges when the obligation that bounds individual families together is transferred to the management and governance of a business. This personalised way of running businesses informed the platform that suggests that family-owned and/or involved businesses might be different from firms with no direct family involvement in them.

This notion is one of the platforms on which family business research is premised. How did the name, 'family business' come into existence? Over a century ago, traditional Asian, African, Western European and North American communities would refer to any trading establishment by the name of the family behind it (Aldrich and Cliff, 2003). The truth being told, no definite historical book has been able to establish the actual place or time that family businesses came into existence (Colli, 2003). However, the recognition of their presence in the Western world was between the eighteenth and nineteenth centuries during the early stages of industrialisation in Western Europe (Colli et al., 2003). During this period, there were records of high market failures globally, but the easy identification of family-involved businesses as a different group was due to their ability to stand the test of time and weather the turbulent economic storm above their non-family counterparts (Colli et al., 2003). History has it that businesses with high family involvement played significant and timely intervention roles in the western world during this critical period of crises (Bertrand and Schoar, 2006; Colli et al., 2003). Their dominance and prominence were so strong that they practically controlled the economies of these nations during this period of economic crisis (Bertrand and Schoar, 2006; Colli et al., 2003; Schumann, 1999).

Notable examples of families that controlled the wealth of their nations during the period under review are:

- a. The Rothschilds: The Rothschilds was a dynastic family with a wide spread of businesses in Europe (Bertrand and Schoar, 2006: 73). The family was said to have accumulated so much wealth that they were considered to be the richest in Europe during the seventeenth and eighteenth centuries. History records that the Rothschilds built a business based on a close knit family circle, to the extent that marriages were restricted to within the family only. Mayer Amschel Rothschild, a coin dealer and financial adviser to a German Prince, sent four of his sons to major European cities with some initial funding and strict instructions to remain loyal to the family at any cost (Haaretz, 2009). His fifth child remained behind in Prussia to manage the family's business. The strong loyalty, commitment, trust in this family was responsible for them establishing and becoming the most successful financial institution of the 19th-Century Europe (Haaretz, 2009; Bertrand and Schoar, 2006).
- b. Kongō Gumi Co. Ltd: Kongō Gumi was recorded to be the oldest family firm before it was sold to Takamatsu Corporation in January 2006. Kongō Gumi which was founded in 578 is located in Japan. The company was owned by the same family for approximately 1,400 years (Malhotra, 2010). What would keep a company in the same family for approximately 1,400 years without the business crumbling? This is an important question that should capture the mind of every family business researcher.

Besides Kongō Gumi, Japan's economy is also recorded to have been significantly impacted historically by two other powerful families, namely the Keiretsu group and Zaibatsu family (Steier et al., 2004).

Bertrand and Schoar in their historical review of families and the businesses they controlled mentioned a shipping and railroad business created by Cornelius Vanderbilt during the 1800s (Bertrand and Schoar, 2006). Though this family business was destroyed fifty years after Cornelius' death, the family was said to have significantly influenced the

US economy and was regarded as the seventh richest family in history. Other examples recorded in America's history of businesses with high family involvement that survived multiple generations, are the Kemners in 1870 and the Moodys in 1852 (Marcus, 1980). The businesses owned and controlled by these families were instrumental to meeting the immediate needs of their various families as well as contributing to the economic growth of the US (Marcus, 1980).

In Italy, the Benetton, Rivas and Lucchinis are recorded as dynamic family businesses that still play prominent roles in the economic landscape of the country (Colli et al., 2003). The Zegna group was founded by Ermenegildo Zegna in 1910 in Trivero, Italy. It is a country that has endured generations of family members' ownership, control and management. Today, the Zegna Group is one of Italian's leading companies employing over 5000 employees worldwide. They recorded a turnover of approximately 601 Million Euros in 2003.

In Germany, records show that family-owned firms exhibited stable characteristic pattern through both first and second world wars (Ehrhardt et al., 2005). Several other examples of different families who influenced the economies of their nations are recorded in the literature - countries like India, Sweden, France, Spain, Poland, some other parts of Europe and many nations in Asia - China, Thailand, Singapore, Indonesia and Malaysia.

In Nigeria, there are records of family businesses mostly recorded on the pages of the country's national newspaper. To start with, in 1999, Chief Alhaji Yinka Folawiyo (late) established a private shipping company, Nigerian Green Lines which had six cargo carriers with a total of 88,000 tons deadweight carrying freight between Nigeria and Europe. Over the years, the Yinka Folawiyo Group has grown in size and business interests. The group is presently being managed by Tunde Folawiyo, one of the sons of

the late business mogul.

Also, Chief MKO Abiola (late) built a vast business empire, consisting of an airline, publishing company, farms, shipping line, bookshops, Oil Company and banks. These were first in their leagues before his death in July 7, 1998. Chief MKO Abiola's five sons took over the businesses after his demise.

Moreover in Northern Nigeria, Alhaji Alhassan Dantata, the patriarch of the Dantata family in Kano was probably the wealthiest merchant in all of tropical Africa at the time of his death in 1955 (Hoogvelt, 1979). The Dantata Group is still going strong in the present day Nigeria and is currently managed by Tajudeen Aminu Dantata, the great grandson of Alhassan.

2.6 Evolution of Family Business as a Research Field

Family business was not accepted as an independent field of research until approximately two decades ago, mid 1970s (Sharma et al., 2007; Aldrich and Cliff, 2003), despite its long existence and contribution to the economies of western countries. This makes it a relatively young field of enquiry with most research articles written over the last two decades (Aldrich and Cliff, 2003). The breakthrough experienced in the field of family business, especially with its inclusion in mainstream academic can be attributed to the persistence and strong efforts of family business practitioners during the early stages of publications on the subject (see appendix 2) (Poutziouris et al., 2006; Rogoff and Heck, 2003a; Barnes and Hershon, 1976; Donnelley, 1964). The following names were attributed to the early work done on family business in literature: Richard Beckhard, Leon Danco, Gibb Dyer, Barbara Hollander, Ivan Lansberg, Harry Levinson and John Ward.

Also noteworthy is a renowned historian, David S. Landes, who provides useful information on family businesses in the early days. Early days publications were

written by professionals consulting for firms who had specific issues with their businesses. Most studies then were based on individual cases, with the researchers employing non-scientific methods to address problems associated with these firms (Sharma et al., 2007; Brockhaus, 1994; Donnelley, 1964). Recurrent issues associated with family businesses then were mostly linked with ownership, succession, performance and governance (Astrachan, 2003; Brockhaus, 1994; Handler, 1989a, 1989b; Lansberg et al., 1988; Dyer, 1986; Ward, 1986; Beckhard and Dyer, 1983; Barnes and Hershon, 1976; and Donnelley, 1964). (See appendix 2 for a more detailed record of early researches in the field of family business).

In recognition of the importance of family business, scholars from different disciplines started showing interest in the field, more scientific approaches were introduced but these were mainly descriptive (Poutziouris et al., 2006). Gradually, the field gained due recognition in the academia, consequently, newspaper reports were gradually replaced with publications in leading business, economics and management journals and family business research became a major topic of discourse at academic conferences in developed countries (Sharma et al., 2007).

Thereafter was the emergence of family business centres and professional organisations, whose sole aim mostly was to form a forum for researchers and practitioners to meet, network, and jointly address overarching issues in the field. Most of these centres till date are concentrated in the U.S. Example of such are Centre for Family - began in 1962; Family Firm Institute (FFI)-began in 1986; Family Business Network-International (FBN-I) started in 1990; International Family Business Research Academy (IFERA)-established in 2001 (Heck et al., 2008:319). Institute for Family Business (IFB), established in the United Kingdom in 2001. Similarly, some academic higher institutions of learning that played early intervention roles in family business research are: Harvard, Indiana, Loyola, Baylor,

Kennesaw State, Alberta and Calgary Universities (Sharma et al., 2007). It is also noteworthy to mention these two organisations: 1) GEEF, a pan-European group established in 1997 to represent the interest of family-owned small, medium and large enterprises operating in the EU; and 2) The Economic and Social Research Council (ESRC), a UK based organisation that has funded various family business researches and centres across the country. The names of some ESRC funded research centres in the UK are: Centre for Business Research, University of Cambridge; Small Business Research Centre, Kingston Business School; Centre for Small and Medium- Sized Enterprises 'CSME', Warwick Business School; Centre for Employment,

The first specialist journal wholly dedicated Competitiveness and Growth, University of Kent to family businesses was 'Family Business Review'; it was first published in 1988. However, there are many other prominent academic journals which are used frequently to publish researches in family business, see appendix 3 for the list. In a recent survey carried out by Chrisman, Kellermanns, Chan and Liano (2010) to investigate the most cited articles on family business, four journals were identified as major outlets for family business research, they are: Entrepreneurship Theory and Practice (ET&P); Family Business Review (FBR); Journal of Business Venturing; Journal of Small Business Management.

In Nigeria, the focus of this thesis, there are no specific centres disseminating information on family business research in the country. However, in 2003, a government funded agency, Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was established in Nigeria. SMEDAN was founded to boost the development of small and medium-scale enterprises in Nigeria. There are also few private organisations and centres promoting entrepreneurial development in the country, however, none is linked to family business research as at the time of writing this thesis.

Some notable contributions to the theory of family business research in the last one decade include the development of specific theories and concepts which are tailored to the field. Examples are familiness; family influence on power, experience and culture; family embeddedness; family orientation; family entrepreneurship; family centred non-economic goals. All these concepts and theories points toward shifting the focus of investigations in family business research from 'firm level' to 'family level' which would then provide more insights on the dynamics of family involvement in a business.

Other successes recorded in family business research are development of key research areas such as succession (Chrisman et al., 2003; Habbershon and Pistrui, 2002); ownership (Almeida and Wolfenzon, 2006; Anderson and Reeb, 2003b; Astrachan et al., 2002; Westhead and Cowling, 1998; Daily, 1992); and control or governance (Rettab et al., 2005; Zahra et al., 2004; Aldrich and Cliff, 2003; Colli, 2003; Westhead and Cowling, 1998); performances of family business (Miller et al., 2007; Anderson and Reeb, 2003b; Habbershon et al., 2003). However, there are very few researches in the following areas: family culture; family employees; kinship and family networks.

Despite these huge progress recorded in family business research (described above), the field is still plagued by the lack of a uniform definition for family business (Vought et al., 2008). Some major factors responsible for this are the conflicting views, and the introduction of different theoretical concepts and models by scholars from different disciplines into family business research (Heck, 2004). Although, approaching family business research from different angles (economics, accounting, management, psychology and entrepreneurship) has broadened the knowledge base in the field, the huge conflicting research outcomes currently being witnessed in the literature is confusing for new entrants (Dyer, 2006; Heck, 2004). Furthermore, the lack of a consensus definition has also made it challenging for researchers to apply and build on previous studies, thus preventing the

required advancement of this field and contradicting the norm in the academia (Vought et al., 2008; Klein et al., 2005).

The first area that this doctoral research intends to address is to put into perspective a broad definition for family business based on a critical review of existing seminal works addressing the definitional issue.

2.7 What is Family Business?

What exactly is family business? The answer to this question has eluded many scholars and academics within the field of family business (Rettab et al., 2005; Sharma, 2004; Chua et al., 1999; Westhead and Cowling, 1998). This definitional confusion is perhaps one of the most popular debates going on in the family business literature. This is because the term ‘family business’ is commonly used in different contexts and may be presented distinctly in various academic disciplines. However, one clear area of unity recorded in the literature is the understanding that ‘family involvement’ in a business represents a family business (Chua et al., 1999).

First and foremost, it is noteworthy to acknowledge that much has been done in addressing this gap, but there is still a lack of an integrative definition accommodating most of the existing components that constitutes family involvement in business. Next, is the issue of owners’ perception of whether a firm is a family business or not? In the literature, some researchers have experienced some challenges, wherein, firms that exhibit key attributes of a family business argue otherwise. Therefore, the objective of this section is to provide a broad overview of major seminal studies which has contributed significantly to the process of defining family business in the literature. This review process will subsequently lead to the conceptualisation of a broad definition for family business.

2.7.1 The 'Family' and 'Business' Systems: A Process of Identifying the Distinctiveness of Family Businesses

2.7.1.1 Two and Three Circle Models (1980, 1982, 1997)

Differentiating family business from other forms of business organisation was one of the approaches used by early family business researchers to define family business (Sharma et al., 1997). Under the system's approach, 'family' and 'business' are considered to be different social systems existing for distinct reasons, however, there is an overlap in their functions and reasons for existence (Gersick et al., 1997).

The family is an affective institution (Lumpkin et al., 2008). Kinship relationships in a family are built on trust, loyalty and commitment, developed over a long period of time (Pearson et al., 2008; Lumpkin et al., 2008; Bertrand and Schoar, 2006). Whereas, the business system is built on task and reward. The whole existence of a business is centred on making profits. Based on the above preliminary explanations, the dual and three-circle models were developed basically to explain the overlap that occurs between the family and business systems.

The dual circle model shown in figure 2.2a below describes the involvement of a family in the business system (Rutherford et al., 2006; Rettab et al., 2005; Habbershon et al., 2003; Gersick et al., 1997; Davis, 1982). The dual-circle model is an underlying conceptual seminal work in the family business literature (Davis, 1983; Kepner, 1983; Gersick et al., 1997). This model was used over the years to provide a useful platform for early researchers, academics and practitioners to analyse complex organisational behaviour, strategy, family dynamics, organisational decisions and attitudes that occur within family businesses (Gersick et al., 1997). Later on, four researchers expanded on the dual-circle model. They are Gersick, Davis, Hampton and Lansberg (1997). Their study brings out one of the lapses of the two-circle model, which is the absence of 'the

ownership factor' (Aldrich and Cliff, 2003; Tagiuri and Davis, 1992; Gersick et al., 1997). Gersick et al. (1997) introduces the three-circle model by incorporating family ownership of the business into the equation. The ownership factor enhances the understanding of the overlap between the family and business systems. The three-circle model sheds more light on the relevant attributes, peculiarities, distinctiveness as well as possible conflicts that may exist between these two systems (Habbershon et al., 2003). Supported widely in the family business literature, the three-circle model shown in figure 2.2b below delineates accurately the roles of different individuals within the two overlapping systems (Habbershon et al., 2003).

Figure 2.2 'a' – "Two-Circle Model"

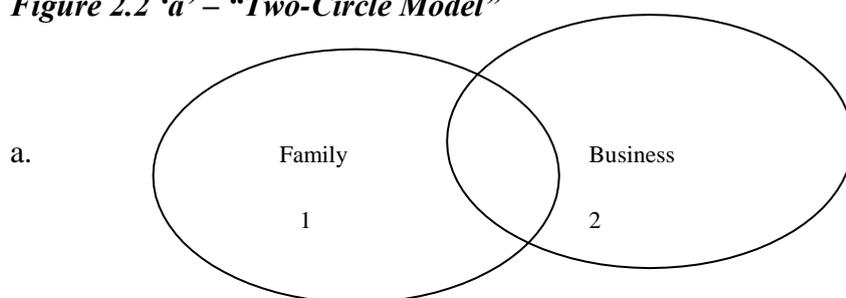
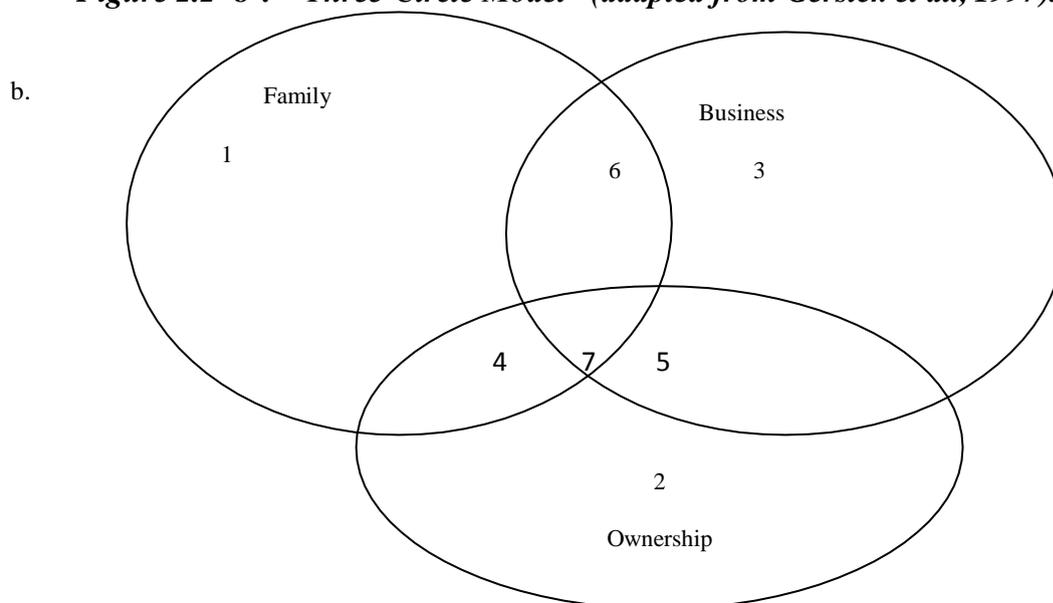


Figure 2.2 'b': "Three-Circle Model" (adapted from Gersick et al., 1997).



- Family members: All individual family members occupy anywhere within the top right circle – sector 1;

- Owners: All owners (and owners only) occupy anywhere within the bottom circle – sector 2;
- Employees: All employees (employees only) occupy anywhere within top right circle – sector 3;
- All individuals who have only one connection to the enterprise are in any one of the outside –sectors 1, 2, or 3;
- Family members who are also owners of the business (but not employees) occupy – sector 4;
- Family members who are also employees within the business (this could be at any level – managerial role or Chief Executive Officer, but not owners or shareholders) occupy – sector 6;
- Owners who are also employees within the business (but not family members) occupy sector 5;
- Finally, individuals who have an interest in all three areas, that is, they are owners or shareholders in the business; a member of the family; and an employee within the enterprise occupy – sector 7. (Gersick et al., 1997).

Following the above explanation, the three-circle model indeed provides a clear descriptive picture of the degree of overlap between the family and the business. These two complex social systems on interaction, differentiates family businesses from non-family businesses. Although, the three-circle model provides a good description of a family business, it does not explain the distinct resources that accompany a family's involvement with a firm.

2.7.2 The Sustainable Family Business Model – SFB (1999)

The sustainable family business model was another early theoretical model that was used to differentiate family businesses from other types of business. The premise of this construct is on family systems theory that highlights the key characteristics of family system and business system respectively. These characteristics were used to develop a

model by Stafford, Duncan, Dane and Winter (1999). They propose that the two systems (family and business) exist independently but with an underlying assumption that they could interplay to achieve a mutual sustainability of family businesses. The authors also use their model to show that both family and business systems are affected by environmental and structural changes, and they both react to those changes differently.

Succinctly, the Sustainable Family Business Model was created to guide empirical research in identifying those unique characteristics that exist in the interaction of family and business systems which may lead to the sustainability of family firms. This model is a step above Gersick et al.'s, (1997) three-circle model because it highlights various advantages and also likely disruptions that arise from the interaction of the family and business.

2.7.3 Studies Defining Family Business Based on Its Uniqueness

2.7.3.1 Familiness (1999)

The familiness concept is one of the few constructs developed within the field of family business which focuses on identifying the distinctiveness of family firms (Zellweger et al., 2010; Pearson et al., 2008; Tokarczyk et al., 2007; Chrisman et al., 2005). This construct is first introduced by Habbershon and Williams (1999). The theory of familiness is built on the familial relationship that exists among individual family members involved in the business and its subsequent effect on the performance of the firm (Pearson et al., 2008).

Familiness, according to Habbershon and Williams (1999), is defined as “the idiosyncratic firm level bundle of resources and capabilities resulting from the interactions among three systems – the family, family members, and the business.” Similarly, Chrisman et al., (2003) define the construct as resources and capabilities related to family involvement and interactions,” while Pearson et al., (2008) describe familiness as the resources and

capabilities that are unique to family involvement and interactions with the firm. This systematic interaction of the family, business and individual family members is responsible for creating the unique resources and capabilities described by Chrisman et al., (2003). The concept of familiness has further contributed to the literature on family business by promoting the understanding of the collaboration that exists among three independent systems (Rutherford et al., 2008; Aldrich and Cliff, 2003). However, a conceptual paper by Pearson, Carr and Shaw (2008) attempt to bridge the theoretical gaps identified in the familiness concept. These researchers use social capital theory to build on previous studies on familiness by Habbershon and Williams, (1999); and Habbershon et al., (2003). Pearson et al. (2008) via the social capital theory, investigate the unique behavioural and social resources found in the family vis-à-vis the capabilities of the firm. Their research summarises four conditions that may precede the occurrence of familiness of familiness within a family firm. These are shown in figure 2.3 below. The researchers also suggest in their study that part of the competitive advantages which a family firm has over a non-family firm might have its foundation in these four conditions.

Figure 2.3: Antecedents of Familiness Construct Pearson, Carr and Shaw (2008)

<p>Time Family structure promotes longevity in terms of value, culture, vision. Relationships within the family system are not temporal but longstanding hence all structures related to the family might be treated in this manner.</p>	<p>Closure Family firms' exhibit closure through early involvement of children in the business; continued active involvement of the founding generation in the firm; and keeping ownership and management of the business within blood relatives</p>	<p>Interdependence Family firms in nature, provides a higher level of interdependence within their social structure than non-family firms. This contributes to organisational capabilities of collective action.</p>	<p>Interaction Family members within the firm continue to interact even after business hours. This is required for maintenance of social capital. Effective interaction within an organisation reflects the quantity, quality, and strength of the relationship in it.</p>
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Summarised based on an article written by Pearson et al., 2008.

Zellweger, Eddleston and Kellermanns (2010) are another set of academics that expanded on the familiness construct by investigating the type of families that are likely to build familiness. They introduce the “organisational identity dimension” into the literature on familiness. Organisational identity dimension seeks to assess the degree to which family and non-family members see the firm as a family business (Zellweger et al., 2010). It

addresses the ‘who’ question of the familiness construct by focusing on the family itself. These researchers propose that the way a family firm is viewed by its founders, managers and non-family employees may affect how each party leverages on the bundles of resources and capabilities available both internally and externally in the firm (Zellweger et al., 2010). Figure 2.4 below is the three- circle model proposed by Zellweger, Eddleston, and Kellermanns to show the interaction among the three dimensions of familiness (organisational identity, components of family involvement and essence of family involvement) which are also proposed by them.



Figure 2.4: Dimensions of Familiness, adapted from Zellweger et al., 2010

The next three sub-sections review the literature on the components and essence of family involvement.

2.7.4 Studies Highlighting the Components and Essence of Family Involvement in a Business

2.7.4.1 Bull’s Eye Model (1996)

The Bull’s Eye Model (figure 2.5) was one of the earliest attempts by family business scholars to identify the components of family involvement in a business. It was conceptualised by Shanker and Astrachan in 1996 to quantitatively assess the contributions of family businesses in the US to its economy. In this model, a multi-dimensional approach is employed by the researchers to provide a continuum definition for family business, which makes it differs from the previous researches (discussed above) that focus on separating family business from non-family businesses.

The Bull's Eye Model categorises family business into three groups (broad, middle and narrow), based on the degree of family involvement in them. The broad definition captures direct family direct family involvement as very minimal. The focus here is in strategically controlling the business to facilitate generational transfer. The middle definition presents a business with some level of family involvement through the direct involvement of the founder or a descendant in management. The narrow definition, which occupies the central point in the concentric circles, depicts a company with the presence of multiple generations of family members directly involved in ownership, management, and control. These three categorical definitions by Shanker and Astrachan (1996) were very fundamental to any significant progress recorded in the family business literature on the definitional issue.

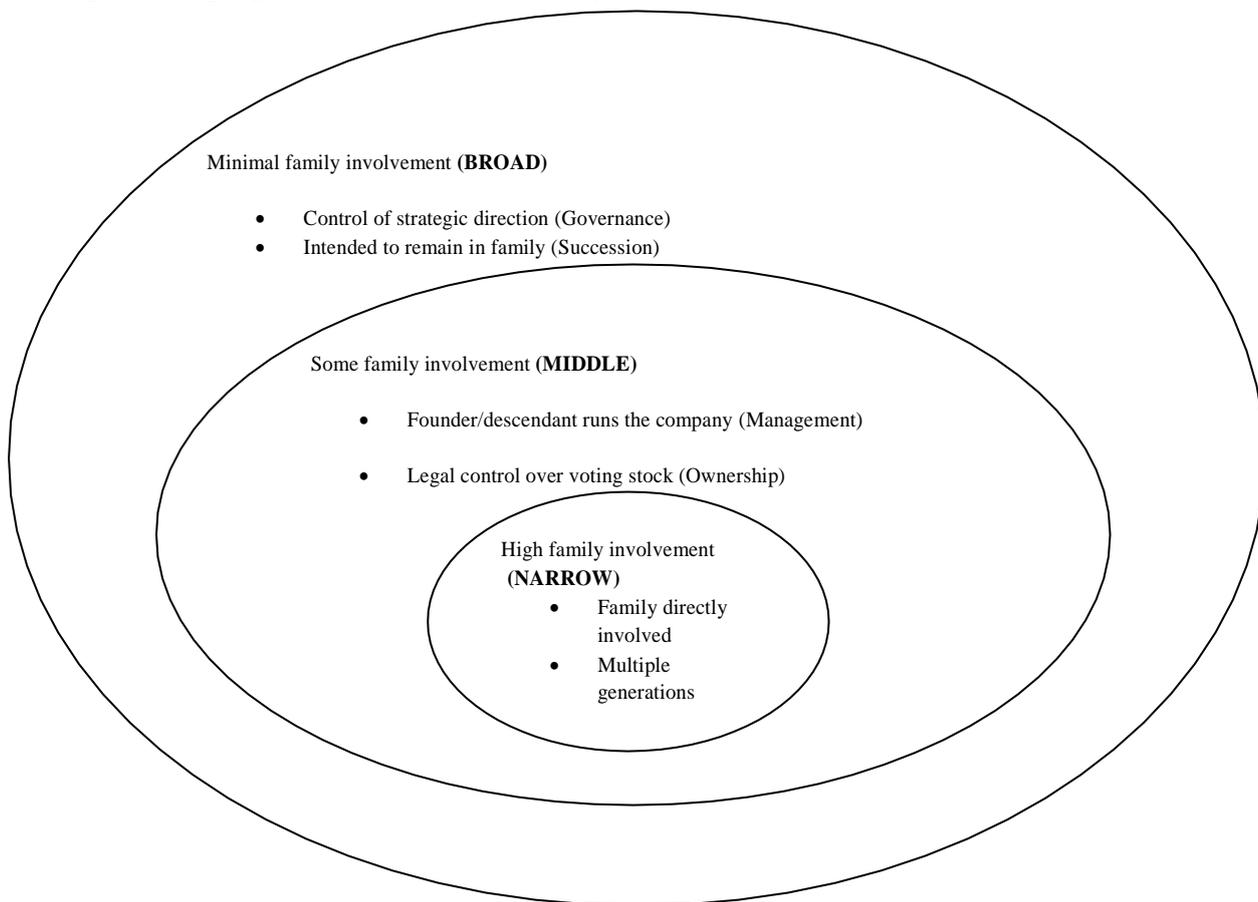


Figure 2.5: The Bull's Eye Model

2.7.4.2 Westhead and Cowling (1998): Four Elements of Family Business Definition

Westhead and Cowling, (1998)'s landmark study also made an important contribution to the theory of family business through its clear delineation of the components of family involvement.

Based on their extensive review of the literature, these researchers identify four elements as very fundamental in defining family business in an unquoted company.

- Perception: How does the chief executive office perceive the company, family business or otherwise?
- Ownership: Is the majority ordinary voting shares owned by members of the largest family group?
- Management: Is the management team primarily drawn from the single dominant family group that owns the business?
- Intergenerational Transfer: Has the company experienced a generational transfer to a second or later generation of family members drawn from a single dominant family?

Based on these four elements (mentioned above), the researchers proposed the seven definitions shown in table 2.3 below as a guide in defining family involvement in an unquoted company.

Table 2.3: Classification of Westhead and Cowling's Definitions of Family Business

DEFINITION	FB DEFINITIONAL ELEMENT
The company is perceived by the Chief Executive, Managing Director or Chairman to be a family business	Perception (Organisational Identity)
More than fifty percent of ordinary voting shares are owned by members of the largest single family group related by blood or marriage	Ownership
More than fifty percent of ordinary voting shares are owned by members of the largest single family group related by blood or marriage and the company is perceived by the Chief Executive, Managing Director or Chairman to be a family business	Ownership; Perception (Organisational Identity)
More than fifty percent of ordinary voting shares are owned by the members of the largest single family group related by blood or marriage, the company is perceived by the Chief Executive, Managing Director or Chairman to be a family business; and one or more of the management team is drawn from the largest family group who own the company	Ownership; Perception (Organisational Identity); Management
More than fifty percent of ordinary voting shares are owned by the members of the largest single family group related by blood or marriage, the company is perceived by the Chief Executive, Managing Director or Chairman to be a family business; and fifty-one percent or more of the management team are drawn from the largest family group who own the company	Ownership; Perception (Organisational Identity); Management
More than fifty percent of ordinary voting shares are owned by the members of the largest single family group related by blood or marriage, the company is perceived by the Chief Executive, Managing Director or Chairman to be a family business; and one or more of the management team is drawn from the largest family group who own the company; and the company is owned by the second-generation or more family members	Ownership; Perception (Organisational Identity); Management; Intergenerational transfer (Succession)
More than fifty percent of ordinary voting shares are owned by the members of the largest single family group related by blood or marriage, the company is perceived by the Chief Executive, Managing Director or Chairman to be a family business; and fifty-one percent or more of the management team are drawn from the largest family group who own the company	Ownership; Perception (Organisational Identity); Management; Intergenerational transfer (Succession)

Own thesis' classification of Westhead and Cowling's seven family business definitions; Entrepreneurship Theory and Practice, Vol 23(1), pg. 40-41

2.7.4.3 Chua, Chrisman and Sharma (1999)

One of the most widely used articles in defining family involvement in a firm is written by Chua et al. (1999) due to the critical explanation given by the researchers on 'components and essence of family involvement'. Chua et al. (1999) used the concepts of behaviour and intentions to explain the essence of family involvement in a firm (Chrisman et al., 2005; Chua et al., 1999). Based on these concepts, they define family business as

a business governed and/or managed with the intention to shape and pursue the vision of the business held by a '*dominant coalition*' controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families.

In this afore-mentioned definition, the significance of two important components of family involvement (ownership and management) is de-emphasised. However, findings from literature suggest that the ownership dimension is considered significant while measuring family involvement in a firm because it is a key measuring variable while investigating the superiority in performance between family firms and non-family firms (Danes et al., 2007; Silva and Majluf, 2008; Westhead and Howorth, 2006; Zahra, 2003; 2005; Lee, 2004).

Secondly is the argument by Chua et al. (1999) that an approach that defines family businesses based on components of involvement solely is not sufficient. According to the researchers, components of involvement (ownership, management, governance and succession) only define the operational dimension of family involvement and not its essence. While agreeing with the emphasis placed on the essence of family involvement because it explains the intention and behaviour of the firm and its principals, it is the opinion of this thesis that a valid definition must be measurable.

Moreover, some scholars have also argued that both approaches (components and essence of family involvement) share some similar operational and theoretical principles

(Zellweger et al., 2010; Saito, 2008; Sraer and Thesmar, 2007; Martinez et al., 2007; Bertrand and Schoar, 2006; Dyer, 2006; Miller and Le-Breton Miller, 2006; Maury, 2006; Lee, 2006; Villalonga and Amit, 2006; Daily and Dollinger, 1992; Demsetz, 1983). For instance, trans-generational transfer or succession, a measurable component of family involvement clearly indicates the intention of the principals of the business (essence of a family involvement).

Furthermore, a business principal's intention and/or decision to pass on the business to his or her descendants would also have a significant effect on the strategy employed in the day-to-day running of the business (thus explaining his/her behaviour). In addition to this, most businesses reflect their visions and goals through their ownership structure, management, control/governance, and/or succession plans. This is an indication of their intention to maintain a long-term presence in the business among other strategies (Zellweger et al., 2010).

Based on the above arguments, it is this thesis' position that both components of family involvement and essence of family involvement are fundamental to the theoretically and operationally definition of family business.

Below are examples of other articles with suggestions of key elements required to define a family business.

- Chrisman, Chua and Sharma, (2003) in their article list four mutually exclusive factors to be incorporated into the definition for family business:
 - intention to maintain dominant control by the family;
 - the familiness factor present in family involvement and interactions with the firm;
 - trans-generational pursuance of the family; and
 - pursuance of a vision (Chrisman et al., 2003:9)
- Litz, 1995 proposes that the definition of a family firm must incorporate two approaches: structure-based and intention based.
 - Structure-based approach encompasses the extent to which ownership and

- management are concentrated within a family unit, while
- Intention-based approach involves the extent to which family members desire to increase intra-organisational family-based ownership and/or managerial control.

The two concepts by (Chrisman et al., 2003 and Litz, 1995) both focus on the visible components of family involvement and the intention to maintain continuance of family involvement.

2.7.4.4 Family Influence- Power, Experience and Culture Scale (*F-PECScale*)

Another key measuring scale that expanded the theory of family business literature was the F-PEC scale. Astrachan, Klein and Smyrniotis developed the F-PEC scale in 2002 to measure in the continuum, the influence of a family in a firm. The F-PEC scale builds on previous studies by Shanker and Astrachan, (1996); Westhead and Cowling, (1998); and Chua et al., (1999) who propose the usage of ‘a continuous scale’ to measure family involvement in a business. In this thesis, the F-PEC scale is considered unique because of its combination of two approaches to define family business. They are familiness (whose basic approach is to identify basic intrinsic characteristics that separate a family from a non-family business), and components of family involvement (ownership, management, governance and succession).

The F-PEC scale development is based on an in-depth content analysis of various definitions of family business by the researchers (Astrachan et al., 2002) and it is described as a ready-to-use quantitative means of assessing the extent of family influence in a firm (Sharma 2004). The F-PEC scale also presents tangible family involvement indices that enable comparisons across businesses (Poutziouris et al., 2006). It is considered to be a straightforward and practical approach to solving the issue of definition plaguing family business (Sharma, 2004; Chrisman et al., 2003; Birds et al., 2002). The three important dimensions associated with the F-PEC scale (power, experience and culture) are discussed below.

Power

Power refers to the dominance exercised by the family (Klein et al., 2005). This is reflected in the influence that the family has on ownership, management and governance of the firm (Holt et al., 2010). The power subscale measures three items shown in figure 2.6 below.

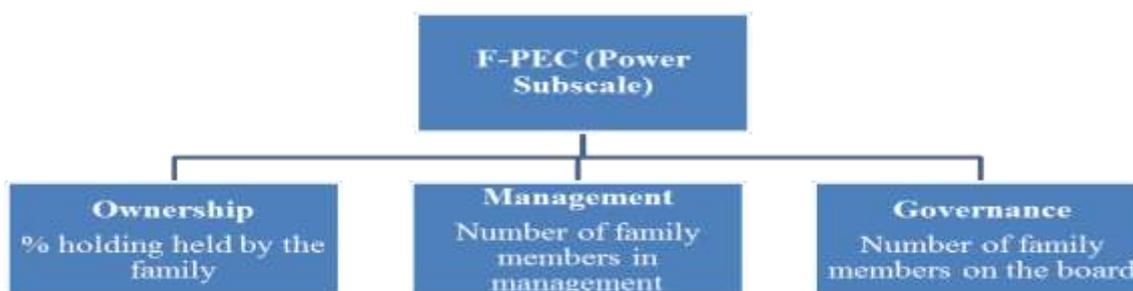


Figure 2.6: F-PEC Power Subscale 'Adapted from Poutziouris et al., (2006)

Experience

Experience refers to the total experience brought into the business by the family (Klein et al., 2005). It defines the succession dimension which is measured based on the three items shown in figure 2.7 below.

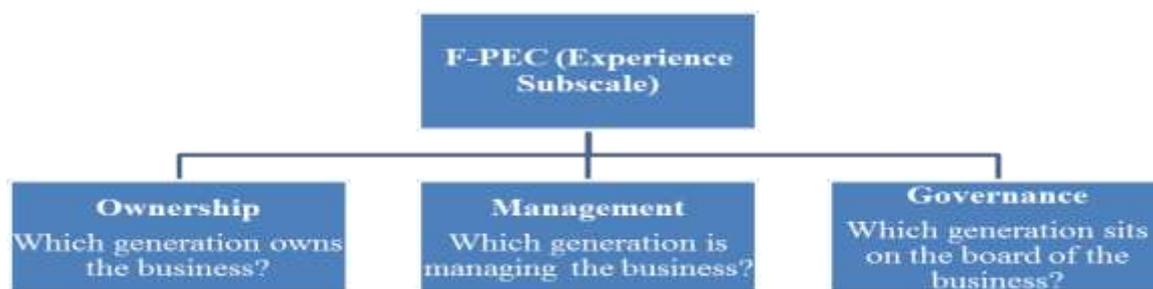


Figure 2.7: F-PEC Experience Subscale

Culture

Culture is defined as the values that shape a firm's character and it is often reflected in the manner in which they adapt to their external environment (Dertouzos et al., 1989). The F-PEC culture subscale measures the extent to which family values and business values overlap in a family firm (Poutziouris et al., 2006; Klein et al., 2005). This measuring scale

attempts to capture the degree of family values that have been integrated into the character of the firm and are being reflected in the company's behaviour and strategic orientation.

The F-PEC scale has been widely used and tested in family business literature, thus establishing its validity and reliability (Astrachan et al., 2002; Klein et al., 2005; Holt et al., 2010; Jaskiewicz et al., 2005; Klein 2000; Koironen 2002; Zainol et al., 2012). Although there are conflicting findings emanating from its usage (this is not unusual with measuring scales), its validity and reliability cannot be questioned (Chrisman et al., 2010).

2.8 Identifying the Components of Family Involvement

This doctoral thesis has identified six dimensions of family involvement based on an extensive theoretical review and analysis of relevant articles on family business. They are *ownership, management, governance (control), succession, family employees, and family culture*.

These six dimensions are considered fundamental to defining a family business because each of them clearly explains the distinctiveness of family firms. The following subsections discuss these six dimensions in detail.

2.8.1 Ownership

A firm is said to be owned by an entity that holds its controlling shares. The entity could be an individual, group of people, holding company or state (Chakrabarty, 2009). Ownership is one of the key mechanisms required to control a firm internally (Jensen and Meckling, 1976). However, ownership is sometimes confused with control or governance, especially in the family business literature. Thus, it is important to point out their differences. Ownership is represented through either of these two definitions: the number of shares an individual or a family owns in a firm; or the percentage of shareholding or voting rights held by a group in a firm. Governance on the other hand, indicates control and authority over a firm by a board of directors or family council which does not

necessarily signify ownership.

In this thesis, the ownership dimension is viewed as one of the fundamental components of family involvement because of the significant role it plays in shaping the direction of a firm. For instance, the ownership structure of a company would guide its goals and direction; determine the level of financial and personal commitment invested in that firm; and determine the organisation's overall economic behaviour (Martinez et al., 2007; Schleifer and Vishny, 1997). A concentrated ownership structure would lead to a more co-ordinated strategic posture which is mostly responsible for the superior performance of a firm (Zahra, 2005).

Family business owners are usually very committed to their businesses and most times, would place the interest of the business above that of the family. Therefore, having an overall significant ownership interest in a venture is believed to be strategic in shaping its performance outcome across different generations (Anderson and Reeb 2003a). This view is shared by most family business researchers and has also been empirically confirmed by many. For example, Zahra (2005) in his study also empirically linked family ownership with higher performance through the owner's ability to understand the need to take certain risks which might improve the overall performance of the firm.

However, the varied views presented in the literature have presented this fundamental component of family involvement as very complex (Sciascia and Mazzolla, 2008; Martinez et al., 2007; Danes et al., 2007; Silva and Majluf, 2008; Westhead and Howorth, 2006; Zahra, 2003; 2005; Lee, 2004.). This is because different countries are guided by distinct policies and rules for owning a business (Poutziouris et al., 2006). In a straightforward ownership situation, whereby the family holds majority shares, for example, family A owns 60% of company z, then, the measure of ownership of family A in company Z is easy to determine. However, in indirect ownership structure, in which the

family has registered a parent company independently, and most of their interests in different firms are acquired through this parent company, ownership in this case might not be of a direct measurement. Nevertheless, if the family owns majority of the parent company, then, the business automatically qualifies as a family business.

The two most common ownership structures available in literature are concentrated ownership and shared ownership.

Concentrated Ownership

Concentrated ownership is the most popular ownership structure found in business enterprises globally. It is therefore also the most researched in extant literature (Miller et al., 2007; Maury, 2006; Bennedsen et al., 2007; Villalonga and Amit, 2006; Demsetz and Villalonga, 2001). Concentrated ownership is when an individual or family holds the controlling shares in a business (Demsetz and Villalonga, 2001). Research findings indicate that globally, businesses with high concentrated ownership are mostly owned by families (Ehrhardt et al., 2005). Some researchers suggest that family businesses with concentrated ownership have the following advantages: reduced agency cost (Schleifer and Vishny, 1997); enhanced performance through a faster decision-making process (Anderson et al., 2005); reduced bureaucracy in operations (Barth et al., 2005); improved access to human capital, social capital and other connected network resources; and promotion of positive altruism and stewardship which can enhance firm performance (Davis et al., 1997a; Fama and Jensen, 1983). On the contrary, Miller et al., (2007) and La Port et al., (1999) argue that concentrated ownership can lead to exploitation of minority shareholders through abusive use of controlling rights. On a general scale however, this type of ownership structure is viewed more positively than negatively in literature on family business (Demsetz and Villalonga, 2001).

Shared Ownership

This form of ownership is presented in a partnership firm. Shared ownership, which is

measured by percentage of shareholding, represents joint (mostly equal) controlling rights over a firm. Studies on this form of ownership structure are very scarce in literature and this may be unrelated with the complexities associated with joint ownership. One good example of family business with shared ownership is PZ. PZ was established in 1879 by George Paterson and George Zochonis as Paterson Zochonis (PZ). They are now called PZ Cussons, after the company acquired Cussons Group, founded by Thomas Cussons (adapted from PZ Cussons webpage on June 12, 2012). The lack of research on this form of ownership is a gap in literature on family business and it is still outside the scope of this thesis.

The two ownership structures reviewed above should be considered when defining the ownership dimension. Based on the foregoing arguments, ownership dimension is present when the highest percentage of shareholding is held (directly or indirectly) by a dominant family related by blood or marriage (Astrachan et al., 2002; Demesetz and Villalonga, 2001; Westhead and Cowling, 1998). The access of a single family to majority voting right gives them a platform to govern the business in line with their vision and goals for the same. This right of ownership also guides the family's commitment, decision making and other strategic behaviour in the firm (Barth et al., 2005). Therefore, in this thesis, ownership dimension is proposed as the most fundamental dimensions of family involvement that is required to define family business.

2.8.2 Management

The three-circle model by Gersick et al. (1997) provides a clear distinction between the significance of ownership and management to a firm. The management team is hired either internally or externally to organise and co-ordinate all the affairs of a firm, in accordance with the objectives and policies given by its owners (Drucker, 1974). In family business literature, family-owned and family-managed firms represent a significant proportion of most researchers' views on a family business (Chua et al. 1999). However,

the dominant argument in literature on family business is that firms with family involvement only in management (with no ownership dimension) do not qualify to be classified as a family business (Økonomi-og, 2007; Stoy, 1992; Barnes and Hershon, 1976; Bernard, 1975; Davis, 1983).

The key assumptions relating to ownership and management dimensions in the family business literature are as follows:

- Family-owned and family-managed: Widely accepted in the literature as a family business (Villalonga and Amit, 2006; Chua et al., 1999; Westhead and Cowling, 1998)
- Family-managed but non-family owned: Few acceptances in the literature as a family business (Villalonga and Amit, 2006). An example of a family managed but not family owned business in the United Kingdom (UK) is Royal Mail Post Office franchises which are mostly run by couples in local areas of the UK.

Based on the above arguments in the literature, a family-managed firm is therefore defined as a business in which a member of the dominant family is acting as the chief executive officer (Miller and Le Breton-Miller, 2006). This definition further assumes that members of the dominant family occupy a significant proportion of the company's management team.

2.8.3 Governance and Control

Governance has long been identified as a key dimension of family involvement in a firm (Chua et al., 1999). This is because the governance and/or control dimension places emphasis on the role of the family in directing the relationships and occurrences within the family and firm (Suaré and Santana-Martin, 2004). Governance role in a family business is shown by the involvement of the family in control and decision making. In large organisations, members of the dominant families can act as the boards of directors (Heuvel et al., 2006), while in small family businesses, family council meetings are held by older

or key family members (such as first sons) to fulfil the governance role. In small family businesses, the governance role often overlaps with the management role (La Porta et al., 1999), but theoretically and operationally, these two roles differ greatly. Governance in a firm comprises of four main roles: controlling, strategising, providing service, and creating access to resources (Miller et al., 2007; Heuvel et al., 2006), while management role centres on organising and co-ordinating the activities of an organisation (Drucker, 1974). The management team also works under the direction of the board of directors in most organisations (Heuvel et al., 2006).

Governance is hereby defined as the organisation of strategic leadership and control of the business and the family (Klein, 2010). This definition is adopted in this thesis. In small family businesses, the founders or owners are usually able to carry out this function through informal family meetings and other family institutions established for the purpose of accomplishing the following: setting out rules governing behaviour within the business; sharing responsibilities; deciding on punishments for inappropriate behaviours; appointing key officers; making crucial business and financial decisions; and planning (Heuvel et al., 2006; Suaré and Santana-Martin, 2004).

There are evidences in literature suggesting that family businesses with a board of directors are more likely to outperform those without one (Chrisman et al., 2007; Blumentritt, 2006) because of their crucial role of protecting the investment of owners and shareholders (Heuvel et al., 2006). In addition to this, governance also involves providing the firm with strategic resources such as valuable experience, expertise, goodwill, access to network resources and offering incentives to the management team for their undivided loyalty (Miller et al., 2007; Blumentritt, 2006). Barontini and Caprio, (2006) in the study of some European countries conclude that family control has a high correlation with firm performance in Western Europe. This is corroborated by a study

carried out in Japan, indicating that the level of family control strongly influences performance in terms of profitability (Allouche et al., 2008).

Governance may also play an important role in the succession process of organisations (Colli et al., 2003) because of its embeddedness in the founder's vision to see their businesses outlive them (Zahra and Pearce, 1989). In the family business literature, agency theory is used in explaining governance roles within a firm (Morck et.al. 1988). Agency theory is used to argue that governance is more properly executed in family firms than in non-family firms (Morck et al., 1988). However, there are contrary views questioning the ability of the family to govern a business successfully across generations (Chandler, 1990).

In this thesis, governance dimension is measured by the number of the dominant family members present in the board of directors. For small family businesses, governance dimension is determined by the number of dominant family members present at family councils or meetings (Heuvel et al., 2006; Suaré and Santana- Martin, 2004).

TABLE 2.4: Summary of Governance Roles

Author(s)	Year	Country	Research Characteristics	Theoretical Framework	Governance Role
Borch & Huse	1993	Norway & Sweden	Sample: *SME; Empirical Research (Survey)	Network Theory	Networking
Huse	1994	Norway & Sweden	Sample: Small Firms; Conceptual Model Development	Agency Theory	Monitoring
Johannisson & Huse	2000	Sweden	Sample: Small Family Business; Empirical Research (Case-Study and in-depth interviews)	Agency Theory; Resource-Based View (RBV)	Monitoring; Providing Advice; Networking; Disciplining
Davis & Pett	2000	US	Sample: Family Firms/SMEs	Resource Dependency	Requirements specified for governance role in this research; Creating external legitimacy for the company; Providing access to capital
Mustakallio, Autio & Zahra	2003	Finland	Sample: Family Firms Empirical Research (Survey)	Agency Theory; Social Capital Theory	Monitoring; Counsel
Grundeis & Talaulicar	2002	Germany	Start-up Companies Empirical Research (Survey)	Legalistic Perspective	Monitoring; Counsel and Liaison

Source: Heuvel et al., 2006:470-471; Authors, Journal Compilation. Vol.14 (5); September, 2005

Defining key Concepts

*SME – Small and Medium-Sized Company

Networking roles: contacting and lobbying. This is usually accomplished by creating, maintaining and influencing external contacts which are important to the firm.

2.8.4 Succession

The challenge for most family business is that of ensuring longevity (Bertrand and Schoar, 2006; Morris et al., 1997). Succession clearly demonstrates the long-term goals of family business owners for their firms (Poutziouris et al., 2006). It is a topic that occupies a prominent place in the agenda of family business practitioners and academics (Sharma et al., 2003). Most researchers have argued that the exclusion of the succession dimension in the definition of family businesses will make it incomplete (Chrisman et al., 2005). Chua et al. (1999) also argue that succession is one of the most essential components of family involvement in a business that reflects its essence. The general consensus in the literature is that family businesses can be distinctly separated from non-family businesses, when there are successful transfers of the business and its goals across different generations (Sharma et al., 2003). The founding generation is responsible for bringing a distinct wealth of knowledge into a family firm. This argument has empirical support in the literature with research outcomes suggesting that the founders' presence in the family businesses may lead to superior performance (Andres, 2008; Saito, 2008; Villalonga and Amit, 2006; Lee, 2006; Wang, 2005; Anderson and Reeb, 2003b; McConaughy et al., 1998). In addition to this, the founders' involvement in family firms also facilitates the transfer of tacit knowledge from one generation to another (Miller and Le Breton-Miller, 2006; Colli et al., 2003; Cabrera-Suarez et al., 2001). Tacit knowledge is considered to be an intangible resource peculiar to family firms, and this serves as a competitive advantage over non-family firms (Chirico, 2008; Miller and Le Breton-Miller, 2006). Most successes recorded in generational transfers of family businesses were predicated on the ability of founding generations to pass on 'tacit knowledge' in the business to the next generation.

Tacit knowledge is believed to be obtainable through constant association, understudying of the incumbent owner by the prospective successor (Colli et al., 2003; Chirico and Salvato, 2008; Miller et al., 2007). It may be presented in the form of tested tradition; family values; other areas of knowledge which is peculiar to the individual family behind the business. Though tacit information within generations of a family enterprise may not have been recorded or documented, nonetheless, they

would have been applied by several generations successfully. Most times, the younger generations acquire tacit knowledge by growing into it.

Despite, the above positive outcomes associated with the founders' involvement in a firm, there are conflicting empirical evidences attesting to better firm performance in descendant-controlled family businesses (McConaughy et al., 1998). However, this superior performance in descendant-controlled family firms may only occur if a younger generation has over time built an equal or a higher passion for the business than their predecessors. Furthermore, the ability of the younger generation to combine new innovative ideas with the wealth of knowledge obtained from previous generations, might promote a better performance in descendant-led firms.

For example in Nigeria, Punch Newspapers, a publishing house, has performed significantly well under the governance of a descendant brother – Chief Ajibola Ogunshola compared to when it was under the governance and management of the founder- Late Chief Olu Aboderin. Similarly, Zegna Group which was founded by Ermenegildo Zegna in 1910 in a small town in Italy is today one of the world leaders in men's clothing with significant interest in different areas. Zegna is currently under the ownership and management of its fourth generation. Wal-Mart is another example of a family business that has grown steadily through successive generations from a small discount store to a global name that topped the international Fortune500 list in year 2000. This retail outlet which started which started in 1962 by Walton has a high level of family involvement in it.

Multiple generation involvement in family firms has also been linked with continuity and strong focus on innovation, which might impact positively on firm performance in the long run (Zahra, 2005). The general argument for this is that “the higher the generational involvement in a business, the more opportunity for relevant family memory and knowledge” (Klein et al., 2005).

In this thesis, succession is hereby defined as the process through which a firm is transferred from one generation to another (Morris et al., 1997) and it is determined by asking respondents about their intention in transferring their businesses to the next generation family members (Chua et al., 1999).

Three notable quotes on succession in the literature are:

1. *“Families are willing to invest in the long-term and undertake sustainable strategies, because they think in generations and not in short-run profits.”* By Dr. Ulrich Wacker, CEO of Wacker Construction Equipment AG, Germany. (Adopted from Ehrhardt et al., 2005:2)
2. *The family firm is an inheritance to be protected and handed on. It is the outcome of the next and each generation’s commitment to the last”.* By Giovanni Agnelli, the late patriarch of the Italian Industrial Dynasty (quote originally by Betts, 2001). (Adopted from Bertrand and Schoar, 2006)
3. *We view the family the company (Wal-Mart in this instance) more as a trust, as a legacy, which we are responsible for, rather than something we own.* By John Walton of Wal-Mart (quote originally by Weber and Lavel, 2001).). (Adopted from Bertrand and Schoar, 2006).

In this thesis, succession is hereby measured by the numbers of generation that has been involved in the business.

2.8.5 Family Employees

Interestingly, in the family business literature, there are very few articles discussing the significance of family employees in the definition of family business despite the importance associated with their roles within the firm. Family members (which include nuclear and extended families) form part of the 3-circle model used by Gersick et al. (1997) to explain the make-up of a family business (Zellweger et al., 2010). The scope of family employees covered in this thesis refers to kinship ties involved in the day-to-day activities within the firm.

Family members represent important sources of human and social capitals for both old and new enterprises (Zahra, 2005; Chrisman et al., 2003; Astrachan et al., 2002). Empirical studies have established that families depend on the easy access to a pool of human capital from among family members to work within their firms, especially during the early days of such businesses (Cruz et al., 2012; Bertrand and Schoar, 2006; Zahra, 2005; Ward, 1997). Family employees, based on their emotional tie to the firm, would be more

committed to long hours of work, less pay and provision of external networks, which may eventually translate to competitive advantages for family firms (Pearson et al., 2008; Sciascia and Mazzola, 2008; Anderson et al., 2005). This altruistic behaviour of family employees may encourage the pursuance of the firm's goal over individual personal goals (Sciascia and Mazzola, 2008).

Although, a few disadvantages are associated with family employees in literature, the advantages they bring into family businesses outweigh them. A known disadvantage is when family business owners and managers display nepotism by employing unqualified family members over well-qualified non-family members (Sharma, 2004). Lack of discipline and complacency which are associated with family employees are other examples cited in literature on management (Davis and Harveston, 1998; Dyer and Handler, 1994).

In the present research context in which the extended family system is prevalent, family employees are defined as family members (both nuclear and extended), who are employed into different positions within the firm.

2.8.6 Family Culture

Family culture is still an evolving research area with a dearth of literature in the field of family business. Organisational culture, on the other hand, has been the toast of academic enquiry, especially within the field of management because of its link to the survival of firms. In both entrepreneurship and management literatures, organisational culture is posited as an important strategic resource for firms to gain competitive advantage (Zahra et al., 2004; Dyer, 1988). This is backed by empirical researches which produce positive outcomes while investigating the association between organisational culture and superior firm performance (Barney, 1996).

Culture was described by Hofstede and Hofstede (2005) as the software of the mind. According to these authors, culture is a collective phenomenon which is shared with people within the same social environment (Hofstede and Hofstede 2005). At the national level, culture is made up of the underlying value systems that are specific to a society which prompts individuals within that society to behave in

certain ways (Hofstede, 1994). Within an organisation, culture is explained as the coherent patterns of beliefs and values that represent acceptable solutions to major organisational problems (Zahra et al., 2004). At the family level, culture refers to a cumulative set of assumptions that a family holds which guide their belief systems (Dyer, 1988). In this thesis, the focus is on culture at the family level due to the dearth of literature on same.

Why study culture at the family level? The family is the smallest unit of a society (Enrique et. al., 2007). It is a traditional system that is guided by values, myths, norms, beliefs and attitudes (Lumpkin et al., 2008). The family is the most important social institution of a society because it shapes people from birth. These people make up the society. They work in or start up enterprises (organisational culture) and eventually shape the culture of a nation (national culture). Family culture sheds light on certain aspects of culture such as values (Koiranen, 2002), which are considered to be the core of culture (Hofstede and Hofstede, 2005). Values answer the question of what is important to one; and core values are the deep-seated pervasive standards that influence almost every aspect of one's life (one's moral judgements, responses to others, commitments to personal and organisational goals (Dumas and Blodgett, 1999:210).

The central assumption in this thesis is that when a family gets involved with a firm, there is a possibility that the business would be guided by the same principles, and values embedded in the family (Zahra et al., 2004). Therefore, attempts to understand family core culture as represented in their values and how these influence the performance of family firms will be an important contribution to the theory of family firms.

Nigeria, this research study location, is a country of diverse ethnic groups and cultures (Mbakogu, 2002). The three dominant ethnic groups in Nigeria are Yoruba, Igbo and Hausa-Fulani, while the other ethnic groups are classified as the minority group. Ethnic groups are defined as a group with a common identity that distinguishes them from others (Ukoha, 2005). Cultural practices differ in each ethnic group in Nigeria. However, these cultural practices are mainly made up of symbols, rituals and heroes as described by Hofstede and Hofstede (2005). Values, the core tenet of culture which captures basic human behaviour,

knowledge, commitment (Aronoff and Ward, 1995) may also differ among the different groups in Nigeria. The national culture of Nigeria relevant to this study that was described by Hofstede and Hofstede (2005) are as follows:

- **Large Power Distance:** In large-power distance societies, power is based on tradition or family, charisma and the ability to use force.
- **Collectivism:** In collectivist societies, opinions are predetermined by group membership, and collectivist interests prevail over individual interests. Harmony and consensus in the society are considered to be paramount. The extended family system which is peculiar to African societies depicts their collectivist nature. The extended family is a combination of two or more nuclear families in which their relationship is biological, social and economical (Nafziger, 1969). Resources are usually pulled together for the benefit of all (and not for the benefit of one).
- **Masculinity:** Nigeria was ranked as being in between these two cultural traits (masculinity and femininity) but more towards masculinity. In masculine societies, challenge, earnings, recognition and advancement are important. Men are expected to be ambitious, assertive and tough while women are supposed to be tender and take care of responsibilities. Gender inequality is high in such societies. Recent statistical figures and empirical evidences from Nigeria suggest that the country is still plagued with a high level of gender inequality across all levels, from family to national (British Council Nigeria, 2012).
- **Short-term Orientation:** The findings recorded in the book by Hofstede and Hofstede (2005) rank Nigeria as a country with short-term orientation. In their book, short term orientation is defined as the fostering of virtues related to the past, present and in particular, respect for tradition, preservation of face and fulfilling of social obligations.

The description by Hofstede and Hofstede (2005) above is of Nigeria's national culture, very little is known about family culture (values) in the major ethnic groups. The information available is mainly descriptions of cultural practices and not on values.

Yoruba Ethnic Group: The Yorubas are one of the most interesting and important people in the African continent (Bascom, 1984). They are located in the south-western part of Nigeria which is spread across six states, Ondo, Ogun, Oyo, Osun, Ekiti and Lagos (the largest commercial centre in Nigeria and Africa). The Yorubas are also found in some parts in Kwara and Edo States. The Yoruba people are known for their rich cultural practices which are reflected in their music, arts, dressing and philosophy (Bascom, 1969). They use proverbs and adages in their everyday communication. History records that the two major religions (Christianity and Islam) were welcomed with open arms by the Yorubas. This confirms their warm nature and their disposition to change (Ogunyemi, 2003). They are very good in education, management and business. Polygamy, which is the marrying of more than one wife by a man, was very common among this ethnic group in the past because marrying of one wife was seen as a sign of weakness then. The extended family system is also very strong in the Yoruba culture; they believe that it is the responsibility of the whole village to raise a child.

Igbo Ethnic Group: They are located in the south-eastern part of Nigeria and can be found in five states, namely Abia, Anambra, Ebonyi, Enugu and Imo. The Igbos are known for their trading activities which are spread across the six geopolitical zones of the country. They share distinct cultural practices which reflect in their belief system, music, dance, religion, art, cuisine and language dialects. Christianity was also very well received by the Igbos. However, some of them still practise traditional religion till date. The extended family system is also a strong part of the Igbo ethnic group (Ekeopara, 2012). Igbos as an ethnic group are considered to be achievement driven, energetic and industrious (Aluko, 2003).

Hausa Ethnic Group: The Hausas are located in the northern part of Nigeria, a distinctively different zone from southern Nigeria. They have the largest size landmarks and population in Nigeria (Population Council, 2007). The Hausa can be found in nineteen states (Kaduna, Kastina, Niger, Sokoto, Kebbi, Zamfara, Bauchi, Gombe, Borno, Yobe, Adamawa, Taraba, Jigawa, Kwara Kogi, Nasarawa, Plateau, the Federal Capital Territory (FCT, which is the Capital of Nigeria), and Kano (the largest province in the north in terms

of population and economy). The culture in the North is such that compliance to a higher authority is very high. The Hausas play an important part in Nigerian politics, and most rural dwellers are active in farming and cattle rearing. Northern Nigeria is very symbolic with the history of Islam in Africa, south of Sahara and in particular, Nigeria. Islam came into Northern Nigeria through the Kanem-Borno Empire in the 11th century before spreading to other parts of the North.

The F-PEC Culture sub-scale developed by Astrachan et al. (2002) is adopted in this thesis to empirically assess family culture in Nigerian family firms. The F-PEC Culture subscale is developed to measure individual family values, commitment and the overlap between family and business values.

Tables 2.5 and 2.6 below give a brief summary of the six dimensions of family involvement (ownership, management, governance, succession, family employee and family culture) identified through a critical review of literature. Their relationship with previous seminal works on family involvement (FI) in literature is also discussed. The consolidation of existing conceptual models, empirical researches and theoretical concepts aids the identification of these key dimensions that are fundamental to defining family business in a new research context. These six dimensions are fundamental to understanding the nature, behaviour and essence of family involvement in a business. Therefore, given the importance accorded to these six FI dimensions in previous researches carried out in different countries (reviewed in this thesis and summarised in tables 2.5, 2.6 and appendix 1), this thesis is proposing an inclusive definition for family business that is both operational and measurable.

*A family business is defined as a business that is family-owned, family-managed, family-governed, that has the intention for the business to remain in the family (succession plans), with a presence of family employees, and exhibits significant level of family culture – **INCLUSIVE DEFINITION***

Table 2.5: The Six Dimensions of Family Involvement (FI)

DIMENSION	DEFINITION	MEASUREMENTS
Ownership	Ownership dimension is present when the highest percentage of shareholding is held (directly or indirectly) by a dominant family related by blood or marriage (Astrachan et al., 2002; Demesetz and Villalonga, 2001; Westhead and Cowling, 1998).	The ownership dimension will be measured by the shares held directly or indirectly in the business by the largest single or dominant family related by blood or marriage (Astrachan et al., 2002; Westhead and Cowling, 1998).
Management	A family-managed company is defined as a business in which a family descent is acting as the Chief Executive Officer of the company (Miller and Le Breton-Miller, 2006). In addition to this, if a management team is present within the business, the single largest or dominant family occupies a significant proportion of same.	Number of family members involved with managing the business; or in the absence of a management team, a business would be considered as family managed if the Chief Executive Officer is a member of the largest single or dominant family.
Governance & Control	Governance is defined as the organisation of strategic leadership and control of the business by the dominant family (Klein, 2010). This definition captures the following four governance roles performed by the family control, strategy, service and resource-dependent (Heuvel et al., 2006)	Governance dimension will be measured by the number of the dominant family members present in the board of directors; or presiding over family councils, family meetings, or other family institutions, responsible for carrying out the following governance roles within the business: control (resources, authority, enforcing discipline); strategy (decision making); service (providing counselling, advice, mentoring); and resource-dependent (providing access to capital and network, use of goodwill by the firm) – (Heuvel et al., 2006; Suaré and Santana-Martin, 2004).
Succession	Succession is defined as the process through which a firm is transferred from one generation to another (Morris et al., 1997)	The number of generations involved in the business. The F-PEC- Experience subscale will be the underlying measuring scale for this dimension (Astrachan et al., 2002).
Family Employees	Family employees represents family members (both nuclear and extended) who are employees occupying different positions within the family business	Number of family employees (both nuclear and extended) employed by the business
Family Culture	Family culture and values represents beliefs within the family system which dictates their attitude, influences their perception about issues and programs individual behaviour (Bertrand and Schoar, 2006; Lee and Peterson, 2000).	The F PEC – Culture subscale will be used to measure family culture in this thesis. Particular attention will be paid to the following: how often family meetings hold; how easily decisions are reached; commitments; conflict.

Table 2.5: Developed for this Thesis.

Relationship between the Six Dimensions of Family Involvement used in this study and Existing Definitions in the Family Business Literature

Dimensions of Family Involvement	Definitions used in this Study	Linkage to existing definitions of family involvement						
		2 & 3-Circle Models	*SFB Model	Familiness	Bull's Eye Model	Westhead & Cowling (1998)	Chua, Chrisman & Sharma (1999)	F-PEC Scale
Ownership	Ownership dimension is present when the highest percentage of shareholding is held by a dominant family related by blood or marriage (Astrachan et.al., 2002; Demesetz & Villalonga, 2001; Westhead & Cowling, 1998)	The 3-Circle Model introduced the ownership dimension into the overlapping model framework. This model provided an important insight to the importance of ownership in the synergy between two systems (family and business)	The SFB model established the uniqueness of the family and how it interacts with the firm across all the six dimensions.	The principle of closure in the familiness concept Identifies with 'ownership'.	The Bull Eye's narrow definition highlights the importance of the ownership dimension	The ownership element identified by Westhead & Cowling (1998) correlates with the ownership dimension employed in this thesis.	Chua et al., (1999)'s definition did not give specific recognition to the ownership dimension.	The Power subscale of the F-PEC identified strongly with the ownership dimension.
Succession	A family-managed company is defined as a business in which a family descent is acting as the Chief Executive Officer of the company (Miller and Le Breton-Miller, 2006). In addition to this, if a management team is present within the business, the single largest or dominant family occupies a significant proportion of same.	No specific correlation	The SFB model established the uniqueness of the family and how it interacts with the firm across all the six dimensions.	The principle of closure in the familiness construct identifies with the management dimension	The Bull Eye's middle and narrow definitions capture the importance of the family under the 'management dimension'.	The management element identified by Westhead & Cowling (1998) correlates with the management dimension	Chua et al., (1999)'s definition identifies with the management dimension.	The Power subscale of the F-PEC identifies strongly with the management dimension
Family Employees								
Governance	Governance is defined as the organisation of strategic leadership and control of the business by the dominant family (Klein, 2010). This definition captures the four governance roles performed by the family: control, strategy, service and resource-	No specific correlation	The SFB model established the uniqueness of the family and how it interacts with the firm across all the six dimensions.	No specific relationship.	The Bull Eye's broad definition of *FB highlights the importance of control in a family business.	No specific correlation.	Chua et al., (1999)'s definition identifies with the governance dimension.	The Power subscale of the F-PEC identifies strongly with the governance dimension

Developed for this thesis, 2011: *SFB Model: Sustainable Family Business Model;

*FB: Family Business;

*CEO: Chief Executive Officer

The combination of the six dimensions in the inclusive definition may be subjective (depending on the researcher's discipline, research location) but three key dimensions must be included. These are family ownership, family governance and family culture. This is due to the power and legitimacy that these dimensions would give to the dominant family involved in the business. When a business is mainly owned, governed/controlled by a dominant family or coalition of families and has a significant level of family culture, then the family can play a dominant role in directing the future and behaviour of the firm. Family ownership and governance ensure strategic leadership (Arregle et al., 2007), while the presence of family culture confirms the influence of the family on the firm's goals and general behaviour. Family ownership, family governance and family culture therefore provide the required platform for a family to take decisions and promote certain behaviours that cannot be reproduced in non-family firms. Consequently, based on the explanation given above, a family business can be identified in any research location when the firm has dominant family ownership, governance/control and culture. However, the remaining three dimensions (family management, succession, and family employee) can be included, depending on the research context.

This thesis' proposed definition of family business differs from Chua, Chrisman and Sharma's (1999) widely used definition in the following ways:

- In this thesis' definition, strong emphasis is placed on the family's majority ownership and governance and the presence of family culture. This is because evidence from empirical researches and conceptual papers from different research fields suggest that family ownership and control is very fundamental to the existence of family firms (European Commission, 2009; Anderson et.al. 2005). Moreover, findings from some empirical studies indicate that when a business is family owned and governed, the family would automatically have a strong presence in management.

- The study by Chua et al. (1999) suggests that four out of the six dimensions (ownership, management, governance and succession) highlighted above represent only components of family involvement in a business. According to them, these dimensions do not reflect the essence of family involvement so, they do not capture a sound theoretical definition of family business. However, this thesis shares a contrary view because dominant family ownership and governance has been associated with strong commitment and intention to maintain continuity of the business (Chrisman et al., 2010). In addition, Chrisman, Chua and Litz (2004)'s comment in their article on 'comparing agency costs of family and non-family firms' supports the view of this doctoral thesis:

Although family involvement per se does not capture the vision or intention that should theoretically distinguish family businesses; family ownership and management does ensure that the vision comes from the family. Furthermore, the expectation of future family involvement ensures that there is an intention to pursue the family's vision across generations" (Chrisman et al., 2004:344- footnote comment).

Section 2.8 completes the review of theoretical and operational conceptualisation of the definition of family business.

2.9 Family Involvement and Firm Performance

The study of how family involvement affects firm performance has generated a lot of interest in family business literature since the early nineties. Sharma, Chrisman and Chua's (1997) review of literature on family business from a strategic management perspective initiated a line of enquiry among scholars. They pointed out the need for researches to focus on the inherent resources available in family firms that would promote firm performance. Similarly, Habbershon, Williams and MacMillan (2003) introduced the term 'familiness', which refers to the distinct resources and capabilities available through family involvement in a firm. Familiness is presented as a source of competitive advantage that could lead to superior performance in family businesses. Afterwards, several other researchers from different fields, mostly finance,

strategic management, general management, entrepreneurship and family business have attempted to establish the effects of family involvement on firm performance (Chrisman et al., 2003). See appendix 28 for a summary of some of these researches.

Most researches examining the association between family involvement and firm performance are limited to the three common dimensions, ownership, management and succession (Mûnoz-Bullon and Sanchez-Bueno, 2011; Minichilli et al., 2010; Cucculleli and Miccuci, 2008; Sciascia and Mazzaola, 2008; Perez-Gonzalez, 2006; Villalonga and Amit, 2006; Anderson and Reeb, 2003a; Faccio and Lang, 2002; Claessens et al., 2000; Smith and Amoaku-Adu, 1999). While there are some articles on family governance and firm performance (Naldi et al., 2007; Miller and Le Breton-Miller, 2006; Carney, 2005; Mustakallio et al., 2003), very few empirical studies are available on family employees (Eddleston et al., 2008) and family culture (Craig et al., 2014; Brice, 2013; Zahra et al., 2008; Denison et al., 2004).

Another observation from the literature is that very few attempts were made to investigate the separate effects of each dimension of FI on firm performance (Chua et al., 1999). Also noteworthy is the use of mostly large enterprises and publicly quoted or listed companies for researches on family businesses (Sciascia and Mazzola, 2008; Westhead and Cowling, 2008), thereby neglecting small to medium sized family businesses which are believed to constitute a larger percentage of family businesses globally (Khavul et al., 2009; Heck and Trent, 1999). Consequently, some of the major contributions of this doctoral research are its identification of other key dimensions of family involvement after a comprehensive review of the family business literature, justification of why each dimension is an important element of family involvement in a business, and then its focus on family culture, which is considered to be the bedrock of family involvement in a firm.

Firm performance is defined in this thesis as the effective utilisation of organisational resources and capabilities to promote efficiency within the organisation (Zellweger and Nason, 2008; Chrisman et al., 2005; Steier et al., 2004). Firm performance also refers to the accomplishments of organisational goals (Chrisman et al., 2010). Therefore, the performance of a firm involves the extent to which its resources are deployed to accomplish both financial and non-financial goals of the organisation (Zellweger and Nason, 2008; Miller et al., 2007; Habbershon et al., 2003; Chrisman et al., 2003).

TABLE 2.7: Advantages and Disadvantages of Family-Involved Firms

ADVANTAGES
Availability of Social capital (Chrisman et.al. 2002; Pearson et.al. 2008)
Reduction of overall agency cost plus increased performance (Chrisman et.al. 2004)
Longevity view of the family firm (Bertrand and Schoar, 2006)
Effective organisational structure (Anderson and Reeb, 2003b; Arnoff and Ward, 1995; Zahra et.al. 2004; Rogoff and Heck, 2003a)
Presence of trust and commitment of family employees/managers; this leads to superior service , hence increased performance (Bertrand and Schoar, 2006; Chrisman et.al. 2008)
Presence of family value and culture which leads to best practices and improved performance (Barney, 1986; Bertrand and Schoar, 2006; Chrisman et.al. 2003)
DISADVANTAGES
Poor Management practices (Morck et.al. 2000; Bloom and Van Reneen, 2005)
Presence of Nepotism which sometimes leads to poor performance (Bertrand and Schoar, 2006; Bennedsen et.al. 2007)
Pursuing tested business practices rather than innovation (Gallo et.al. 2004)
Presence of altruism and self-control which leads to complicated agency problems (Schulze et.al. 2003)
Presence of entrenchment or, in other words, too much family control sometimes lead to abuse of power which often leads to misappropriation of funds (Lansberg et.al. 1988; Claessens et.al. 2002)
Sometimes, family business often limit themselves to poor quality and small labour pool which often lack adequate skills (Dyer, 2006)

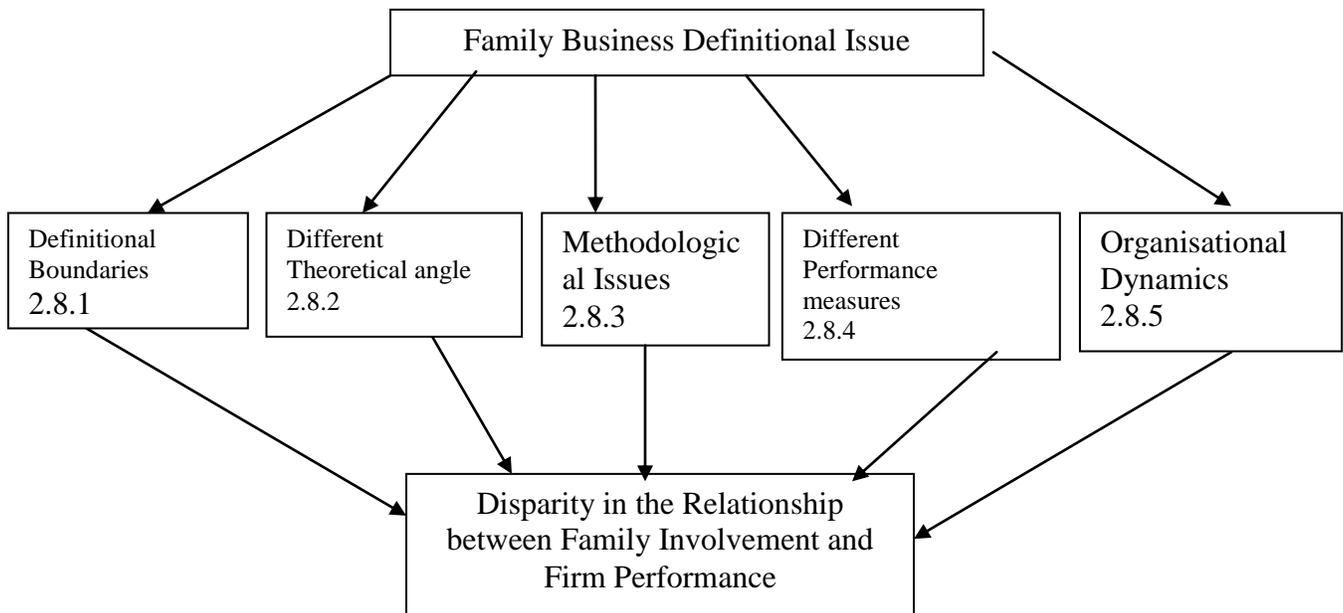
Summaries of Advantages and Disadvantages of Family Involvement and Firm Performance

Presently, the family business literature is plagued with conflicting views on the effects of family involvement on firm performance (summary is shown in appendix 28). Some research outcomes suggest positive relationship and others negative, while a few do not find any significant relationship between family involvement and firm performance (see table 2.7 above for a summary). The presence of this disparity in views and conflicting arguments in the family business literature prompted a critical review of studies investigating FI and firm performance. Section 2.9.1 below gives a summary of the findings.

2.9.1 Appraisal of Past Empirical Studies: Possible Factors Explaining the Complex FI-FP Relationship

The aim of this section is to elaborate on some factors that may be responsible for the lack of synergy in the research outcomes of FI-FP studies. In order to achieve this, a review and an analysis of approximately sixty articles led to the identification of five main factors. They are definitional boundaries, theoretical angle, methodological issues, performance measures and organisational dynamics.

Figure 2.8: Diagrammatic Representation of Factors responsible for Conflicting Findings in Studies on Family Businesses Performance



2.9.1.1 Definitional Boundaries

The first major observation was the huge definitional boundary generally observed on family business literature. The challenge of defining family business is the most significant cause of conflicting research findings in extant literature. Specifically, the operationalisation of some dimensions of family involvement differs from study to study. For example, family ownership is interpreted differently across various studies, countries and cultures as shown in appendix 1

(European Commission, 2009). Family ownership has over ten different definitions out of the ninety-four studies reviewed; governance and management were not left out of this definition challenge. These variations were even observed in studies carried out by the same authors investigating similar concepts at different times, for example Chua, Chrisman and Sharma (1999) and Chrisman, Chua and Litz (2004).

Next is the overlap in the roles of family ownership and governance in small family businesses (Corbetta and Montemerlo, 1999). This tends to affect the perspective of researchers, hence, the definition given to these variables in some studies (Lubatkin et al., 2005; Zahra, 2003; Chrisman et al., 2003). This singular factor may affect data collection, its analysis and subsequent interpretation of the research findings of these studies (Westhead and Cowling, 1998).

Therefore, in order to reduce the risk of producing different research outcomes, it is highly important and necessary to provide clear and uniform definitions for commonly used concepts in family business research. This review has made an attempt to define the six identified dimensions of family involvement in a business in small to medium-sized businesses in Nigeria (summarised in tables 2.5 and 2.6 above). However, more similar studies are recommended to fully delineate commonly used concepts in family business research across small family businesses, small-medium family enterprises, and large or publicly quoted family businesses. This will reduce the level of biases recorded in future research, ensure easier replication of studies and comparison of research findings.

2.9.1.2 Theoretical Angle

Theoretical framework is the philosophical perspective guiding the methodology of a research (Crotty, 1998). It provides a context for the process of a study to be grounded in logic and

criteria that already exist in the literature on that field (Crotty, 1998). Theoretical framework is therefore known as the road map of research studies (Smith and Liehr, 1999), acting as the lenses through which concepts are viewed, interpreted and tested (Chrisman et al., 2003).

Based on the above explanation on theory, it becomes imperative for every research area to have established theories guiding them. However, this is not a case in family business research (Chrisman et al., 2003). Family business, as a research area, has very minimal precise theories specific to it. Most of the theories used in family literature today are borrowed (Zahra and Sharma, 2004), though this does not imply that borrowing theories from other research fields is disadvantageous. On the contrary, this has helped developed the family business research significantly. For example, the Resource-Based View (RBV) developed by Barney (1991) has contributed immensely in developing and explaining strategic resources embedded in family businesses. However, developing theories specific to different aspects of family business field would ensure uniformity and rapid development of some areas of literature. Moreover, some family business researches do not adopt any particular theory for their studies (as evidently shown in appendix 28). It is therefore the view of this thesis that the focus of future researchers should be on developing theories for specific aspects of family business research, which will assist in setting up appropriate parameters for assimilating, extending and disseminating knowledge (Chrisman et al., 2003).

Presently, there are over eight different theories observed in studies investigating family businesses. The most commonly used theoretical framework by family business researchers is agency theory. This research framework was originally used by academics in Economics, Finance and Strategic Management (Chrisman et al., 2003). The table in appendix 28 confirms that out of the 62 articles reviewed and analysed, agency theory is used as the theoretical

framework in 14 studies, approximately 22.5 percent (almost a quarter of the entire data). Agency theory was mostly used to describe the superior ownership and governance structure of family firms as against non-family firms (Morck et al., 1988), although the theory has also been used to explain that family involvement combining ownership and governance in a business might result in higher agency cost, reduced entrepreneurial behaviour and reduced performance subsequently (Le Breton-Miller and Miller, 2009; Miller and Le Breton-Miller, 2006; Chrisman et al., 2004).

The Resource-Based View (RBV) has enjoyed as much prominence and usage as agency theory in family business research (Chrisman et al., 2005). RBV is another important tool for investigating the intrinsic resources and capabilities embedded within the family system (Chrisman et al., 2009; Eddleston et al., 2008; Zahra et al., 2004; Astrachan et al., 2002; Klein et al., 2005; Habbershon and Williams, 1999; Barney, 1991). RBV is used in two of the studies summarised in appendix 28. Stewardship theory follows the order of prevalence. Stewardship explains the commitment of owner-managers to their firms (Le Breton-Miller & Miller 2009). It postulates that owner-managers aspire to improve the performance of their businesses thus eliminating any self-seeking economic benefit. The theory is generally linked with positive firm performance in family businesses through greater involvement of family owners in entrepreneurial behaviours (Abdellatif et al., 2010; Prencipe et al., 2008; Craig and Dibrell, 2006; Westhead and Howorth, 2006; Miller and Le Breton-Miller, 2006)

Altruism is also used as a theoretical framework in two studies (Lee, 2004; Zahra, 2003). Altruism in family business research is often linked to stewardship behaviour on the part of family business owner-managers. It represents selflessness or self-control exhibited by owner-managers (Chrisman et al., 2003) and is also linked to positive firm performance (Demestz and

Lehn, 1985). However, some other schools of thought believe that an increased level of altruism in a family business could lead to free-riding; selfishness and a corresponding negative firm performance (Schulze et al., 2003; 2001).

The above analysis on theoretical framework confirms the multiple disciplines involved in family business research. Naturally their academic backgrounds tend to affect their approach to and the use of these explanatory frameworks, hence, the divergent views and heterogeneity in research findings. Therefore it is the view of this thesis that the absence of theories developed specifically to guide family business research will continue to expose the field to subjective views of academics from different fields (Rutherford et al., 2008; Klein et al., 2005; Chrisman et al., 2003). However, it is not unusual.

2.9.1.3 Methodological Issues

Overall on family business research, most studies employ the positivist view hence, the use of quantitative methods. Consequently, there are very few qualitative researches in this field. Although this is not the main focus of this section, it does serve as a good platform to discuss the methodological approaches of FI-FP studies. The aim of this subsection therefore is to discuss the process and structure of methodologies adopted in studies investigating the FI-FP relationship. The review of existing literature on family business also identifies methodological approach as another factor responsible for different research outcomes (Rutherford et al., 2008; Chrisman et al., 2003; Westhead and Cowling, 1998; Brockhaus, 1999). This is because the huge methodological heterogeneity has made comparability of existing studies almost impossible. For instance, very few studies are known to discuss their choice of research methods in details (Nordqvist et al., 2009). Providing this information helps future researchers understand the study better and may also guide their choice of methodology if they decide to carry out further

investigations on such studies. Clarifying the choice of methodology in researches will also ensure continuity, easier comparison of results and fewer contradicting views (Rutherford et al., 2008, Vought et al., 2008).

The wide variance in sampling size used in quantitative studies is a methodological conflict that needs an urgent review. Sample size refers to the numbers of respondents (or firms) in a study. Appendix 28 shows that this varies widely in the summarised studies. The smallest samples were made of 50 businesses (Rettab et al., 2005), while largest samples consist of 56,374 companies (Kellermanns et al., 2008). This broad gap in sampling size will also give rise to different research outcomes. Despite the popular view that larger samples are associated with better results (Westhead et al., 2001; Chua et al., 1999; Heck and Trent, 1999), researchers should still clarify their choice of sample size and also on other parameters guiding their studies. This will reduce ambiguity and promote easier understanding and comparability of researches in the field.

Comparative versus non-comparative studies: Appendix 28 shows that twenty-eight (28) out of the sixty-two (62) studies reviewed are comparative in nature (studies comparing family business with non-family businesses). This is a very popular trend in family business literature so, it is not being queried. However, the area of conflict is how family businesses are being identified or defined in these studies. This issue is again linked to the definitional problem plaguing the field of family business (Gallo et al., 2004; Chua et al., 1999; Westhead and Cowling, 1998; Daily and Dollinger, 1993; Daily and Dollinger, 1992; Donckels and Frohlich, 1991). To address this issue, it is important for future studies to adopt broad, measurable and unbiased definitions for family businesses as a means of separating them from non-family firms. Given the importance of comparative studies to broaden the scope of literature on family business, this review has identified some methods that can be adopted to carry this out.

- Matched-pair analysis is one of them. It is used by Chaganti and Damanpour (1991); Allouche et al. (2008); Miller et al. (2007). The approach eliminates most bias that may exist when two opposite elements are being investigated and it has a high probability of presenting a more comparative outcome. Industries could be matched between family firms and non-family firms (Chaganti and Damanpour, 1991). Supporting this suggestion, Westhead and Cowling (1998) state that family business researchers should consider using matched pair approach of analysis while studying performance differences; competitive strategy differences; management practice differences between family and non-family businesses.
- Triangulation of research methods is another approach that sheds light on the heterogeneity of family firms better (Meyer, 2005; Westhead and Cowling, 1998). Despite the view that quantitative and qualitative research represents, if distinctive approaches to social research (Bryman, 2008), are used to address different aspects of a study and research problems, a more encompassing and valuable research outcome will be achieved.

2.9.1.4 Different Performance Measures

Performance is an outcome of how well an organisation utilises its resources and other capabilities to accomplish its organisational goals (Steer et al., 1982). It is becoming clearer that financial measures alone cannot be used to truly measure performance in micro and small family businesses (Mahto et al., 2010; Steier et al., 2004). This is because non-economic factors are more likely to influence the behaviours of small family businesses. The study by Chrisman, Chua, Pearson and Barnett (2010) argues that all firms are driven by non-economic reasons according to ‘behavioural theories of the firm’. However, this is more pronounced in family businesses because of their affective nature (Lumpkin et al., 2008). Family businesses tend to depend more on personal objectives and goals than on financial or economic goals to pursue their performance (Mahto et al., 2010; Runyan et al., 2008).

Empirically, some studies have supported the argument on the importance of non-economic factors in family businesses (Mahto et al., 2010; Chrisman et al., 2008; Villalonga and Amit, 2006). Non-economic factors have also been posited as better measurements of organisational behaviour and performance in small family businesses in the literature (Mahto et al., 2010). Chrisman et al., (2010) also suggest in their article that non-economic factors may provide a good platform for separating family from non-family businesses.

Appendix 28 however shows that majority of the studies investigating the relationship between family involvement and firm performances base their assessment on financial indices. This trend was also observed by Chrisman, Chua and Sharma (2003) in their comprehensive review of past empirical researches investigating FI and FP. The choice of performance indices therefore may be another source of disparity in research outcome in family business studies.

Table 2.8: Causes of Differences in the Outcome of Studies Investigating the FI-FP Relationship

FACTOR	CAUSES
Definitions and Concepts	Large boundaries between definitions and concepts used in different studies in the family business literature.
Theoretical angle	Lack of family business-specific theoretical framework linked with conflicting outcome of the family involvement-firm performance (FI-FP) relationship
Methodological issues	Lack of a clear structured methodology investigating the FI-FP relationship linked with conflicting outcomes of same
Different performance measures	The dominant presence of small businesses versus the downplaying of non-financial performance measures in favour of financial measures linked with divergent views on the FI-FP performance relationship
Organisational Dynamics	Heterogeneity in cultural, social and environmental factors. Absence of detailed information on study samples such as industry type.

Table 2.8: Summaries of sub-sections 2.6.1.1 to 2.6.1.5 - Developed for this thesis.

2.9.1.5 Organisational Dynamics

Organisational dynamics refer to the social, economic and cultural factors surrounding family businesses. The concept centres on the heterogeneity of the organisation's environment. The environment of an organisation is considered to be an important determinant of firm behaviour (Lumpkin and Dess, 2001). However, there are limited studies investigating this in family

business research (Dyer and Mortensen, 2005; Westhead and Cowling, 1998). Nevertheless, several studies have examined these factors in a non-family context and the outcomes suggest that environmental factors influence organisational behaviour and performance of firms (Zahra et al., 1999; Zahra, 1993; Covin and Slevin, 1989; Miller, 1983). For instance, most businesses in Africa are generally affected by several issues ranging from lack of infrastructure, corruption, bad governance to poverty (UNDP-HDI Report, 2009; Khavul et al., 2009). Organisations are also affected by politics, national culture and the economic wellbeing of the nations in which they are domiciled (Bertrand and Schoar, 2006; Dyer and Mortensen, 2005; Colli, 2003).

A study carried out by Dyer and Mortensen, (2005) investigating the coping strategies and performances of family businesses in a hostile environment using Lithuania as a case study also confirm empirically that national culture has a great influence on entrepreneurial behaviour of firms and their subsequent performance. The observation made from the articles reviewed in this thesis is that these factors are sometimes not controlled when replicating studies in other countries, hence conflicting research findings is inevitable.

Industry is another factor that can alter research outcome. Industries are generally distributed according to three categories: hi-tech (e.g. car manufacturing plants); medium (service companies, for example-financial institutions); and low-tech industries (for example- the food and beverage industry). Comparing findings from studies conducted on high technological driven companies with low-technology ones may give rise to different performance outcomes. This is because companies that are mostly driven by advance technology would constantly engage their resources on research and development (R&D), which is known to promote innovation and positive firm performance (Zahra, 2005). On the contrary, low-technology driven companies have minimal need to engage in R & D and they are mostly found in non-urban areas among

small family businesses (Gallo et al., 2004). Such companies do not need huge start-up capital and capital investments.

Conflicting research findings linked to industry may also arise from comparing family businesses in different organisational life cycles. For example, comparing founder-led firms probably in its first generations and growing phase with older family firms which might be in its third or fourth generation and matured phase. The probability of finding similar effects of family involvement on firm performance in such studies is very minimal (Dyer, 2006).

Based on the discussions above, it is important for future researches to provide detailed theoretical and methodological information in order to reduce ambiguity and also ease comparison of studies (Westhead and Cowling, 1998). Furthermore, certain factors (such as industry) that cannot be influenced by the researcher should be controlled to reduce possible

This section completes the theoretical conceptualisations of this chapter. The second half of this chapter introduces the theoretical framework that guides this research. Thereafter, different hypotheses are developed to address the research objectives of this thesis.

2.10 Theoretical Framework and Development of Hypothesis

This section provides a theoretical framework that explains the two major objectives of this doctoral research: to examine the distinct resources that family culture brings into a family business and its effect on firm performance, and the effect of two distinct orientations (entrepreneurial orientation and small business orientation) on family businesses and their performance.

2.10.1 Resource-Based View (RBV)

The Resource-Based View (RBV) in this thesis is defined “as an economic tool used to determine the strategic resources available to a firm” (Barney, 1991). For almost two decades, the Resource-Based View’s (RBV) theoretical framework has enjoyed gradual acceptance and usage in explaining the link between firms’ resources, their competitive advantages and performance by academics in strategic management, entrepreneurship and family business. Currently, it is one of the most widely used and tested theory in management research (Runyan et al., 2008; Habbershon et al., 2003).

According to Barney (1991 and 1986), the Resource-Based View of the firm is based on two underlying assumptions. Firstly, a firm’s resources can be referred to as a bundle of productive resources, if they are heterogeneous. This implies that the firm’s resources must be diverse in nature for them to lead to any form of competitive advantage. Secondly, the firm’s resources must not be perfectly mobile, which suggests that they must be inelastic in supply and not easily copied (Hoopes et al., 2003; Barney, 1991).

The RBV, unlike most other theories commonly used in family business research, focuses on the internal stimulus of firms (Penrose, 1959) by describing the inherent resources and capabilities in such firms. The fundamental principles of the RBV are especially relevant to family business studies because the focus of family business research is centred on understanding the sources of competitive advantage embedded in a family when it interacts with the firm (Habbershon et al., 2003; Habbershon and Williams, 1999).

The resources used in the context of the RBV are not only limited to the attributes that enhance the effectiveness and efficiency of a firm, but they also include those that create competitive

advantages that would impact positively on performance (Habbershon and Williams, 1999).

Resources that create competitive advantages in firms must be valuable, rare, inimitable and not substitutable (Barney, 1986). Resources can also be tangible or intangible in nature (Habbershon and Williams, 1999; Barney et al., 2001). Tangible resources in this case refer to physical beneficial characteristics, such as capital, networks, geographical location, and assets; while intangible resources include family values and culture, tacit knowledge, family name, family reputation, relationships, family orientation, loyalty, trust, traditions. Therefore, the theory of RBV argues that the factors or stimulus responsible for growth and positive performances of firms are capabilities which can be found inside those firms (Barney, 1991; 1986). While the source of a firm's capabilities is its resources, capabilities are derived when a firm is able to develop its resources into competence and invisible assets (Sirmon and Hitt, 2003).

On family business research, several studies have argued that family-involved firms acquire, anchor and leverage on their resources in ways that clearly separates them from non-family businesses (Aldrich and Cliff, 2003; Habbershon et al., 2003; Habbershon and Williams, 1999). Some major examples in literature are: long-term orientation and goals of family businesses (Sharma et al., 1997); sustainability of family businesses even in periods of recession (Forbes 2011 report; Stafford et al., 1999); tacit knowledge (Miller et al., 2007); resilience; family culture leading to an invaluable organisational culture (Eddleston and Kellermanns, 2007; Zahra et al., 2004); trust (Sundaramurthy, 2008); and socio-cultural and economic stability (Sharma, 2004). Therefore, the Resource-Based View explains the competitive advantages of family businesses through their resources and capabilities (Habbershon et al., 2003; Habbershon and Williams, 1999).

Habbershon and Williams (1999), suggest that familiness, which consists of idiosyncratic internal resources, is created by family involvement in a business. The familiness theory comprises of tangible resources and tacit knowledge (Habbershon and Williams, 1999). According to these authors, the interaction of these tangible resources and tacit knowledge would lead to growth and actualisation of organisational goals in family firms. However, it is important to mention that there are a few contrary views linked to some perceived intangible resources found in family firms. Bertrand and Schoar (2006) argue that strong family ties make it difficult for most founders to separate family needs (personal) from business resources. This, in their view, may impose high costs on the firm. Nepotism is another negative act linked with strong family ties by Bertrand and Schoar (2006). Barney (1986) also argue that the cost of maintaining strong family ties may sometimes reduce the time available for individual family members to expand their external social network. This limits opportunities outside the family firm. Despite the few negativities associated with strong family ties, there are more superior arguments favouring intangible resources in family firms.

2.10.2 Family Culture and Firm Performance: Formulation of Hypothesis

Family culture is considered to be another important dimension that significantly influences the FI-FP relationship. Culture represents the shared beliefs and values of a set of people, in this case, the family behind a business (Zahra et al., 2004). Gallo (2000) suggests that a firm can only be considered as a family business when the family and the business share similar assumptions and values (*cited from Astrachan et al., 2002 pp50*). The culture dimension is also deeply rooted in the family orientation constructs (Lumpkin et al., 2008). Thus, it is considered to have a significant influence on the strategic behaviours of family businesses, while also ensuring the family's commitment to the strategic vision of the firm.

Zahra et al. (2004) also suggest that organisational culture is deeply rooted in family culture and values, thus supporting the view that family culture plays an important role in the behaviour of an organisation. Furthermore, there are several empirical evidences suggesting that, organisational culture has a strong influence on firm performance (Craig et al., 2014; Brice, 2013; Zahra et al., 2008; Denison et al., 2004). On the other hand, some factors identified as possible negative effects of family culture on the firm are non-professionalism, promotion of personal interests, risk avoidance, and resistance to change (Schulze et al., 2001). Despite these negative factors, the positive influence of family culture on organisational culture remains very significant.

According to the Resource-Based View of the firm, family culture and values may be strategic resources when transferred into a family business. The familiness theory introduced by Habbershon and Williams (1999) explains that such intangible resources will promote competitive advantages in family firms over non-family firms. Zahra et al. (2004) also argue that family culture and values cannot be easily copied by competitors, as they are individual beliefs peculiar to the family only. The findings of the study by Zahra et al. (2004) suggest that the influence of culture on entrepreneurship will be greater in family firms than in non-family firms. Overall, the transfer of culture and values within family businesses is a trade secret which is clearly absent in non-family businesses. In the Nigerian research context where more intangible resources are needed by family businesses to achieve and maintain a positive performance, the role of family culture becomes more important.

Therefore, based on the superior arguments presented above, it is argued in this thesis that family culture positively relates to increased firm performances in Nigerian family businesses. Thus, this thesis proposes that:

H1: A high presence of family culture (values and commitment) in Nigerian family businesses leads to a positive firm performance.

Family culture is also investigated based on ethnicity, gender and generational involvement.

As previously discussed, although most differences among the different groups are mainly in the cultural practices, Nigeria is a country with a huge ethnic diversity. There is still a possibility however, that the level of family culture will differ from one ethnic group to the other. Therefore, it is being proposed in this thesis that:

H5: There is a significant difference in the level of family culture of family firms based on their ethnicity.

The influence of gender in the promotion of family culture has not really enjoyed good coverage in the literature on family business, especially because women often times are placed in the background in most family businesses (Nwajiuba and Nwajiuba, 2012). Gender is always a sensitive issue, especially in developing countries with a very high traditional national culture such as Nigeria (Nwajiuba and Nwajiuba, 2012). Women generally play the traditional home-making role, while men take the leading roles in the firms. Therefore, traditionally, women are made to undergo the roles of raising the children and transfer the values of the family into them. Based on the foregoing, it is proposed in this thesis that:

H6: Female-owned and/or led firms have a higher level of family culture than their male-led counterparts.

Similarly, the strong effect of founders on their firms, as previously discussed, leads to the argument in this thesis that:

H7: Family firms in their first generation have a higher level of family culture than those in their second generation.

2.10.3 Entrepreneurial Orientation of Family Firms: Formation of Hypothesis

Entrepreneurship is an important component for growing the economy of any nation. Aside its role in creating job opportunities through start-up ventures and existing firms, it creates avenues for new product development, spurs business expansion and generally increases national prosperity (Lumpkin et al., 2009). Entrepreneurial activities account for major economic strides recorded in developed nations of the world (Aldrich and Cliff, 2003) because of their fundamental roles in activating and stimulating all economic activities.

The connection between entrepreneurship and family business was not made until the last decade when it was observed that the two phenomena act as the backbone of a nation's economy. Dyer and Handler (1994), in their conceptual paper are able to establish theoretically that these two streams of research are actually linked. Therefore the investigation of the entrepreneurial behaviour of family enterprises is still an evolving area of research in family business literature. Entrepreneurship is viewed as a way of thinking, reasoning, and acting that is opportunity obsessed, holistic in approach and leadership balanced (Timmons and Spinelli, 2007), while family business is defined as a business with family involvement in any two or more of these dimensions: ownership, management, governance, succession, employees and culture.

Entrepreneurial Orientation (EO) is a phenomenon that examines the entrepreneurial processes of firms. This according to Lumpkin and Dess (1996) refers to the methods, practices, and decision-making styles business owners and/or managers use to act entrepreneurially.

Entrepreneurial Orientation (EO) refers to the strategic orientation of a firm that captures specific

entrepreneurial aspects of its decision-making styles, methods and practices (Wiklund and Shepherd, 2005). It is a construct which has been extensively used in literature to test the extent of entrepreneurial behaviour in firms (Rauch et al., 2009). The principles guiding the theory of EO constructs is embedded in the entrepreneurship literature.

The concept of Entrepreneurial Orientation was developed based on the early works of Khandwalla (1970). Some years later, Miller and Friesen (1978) built further on this by developing eleven entrepreneurial dimensions, through their study on the 'complexes of attributes and relationships'. The EO concept was further expanded by Miller (1983) through the identification of three dimensions (Innovation, Risk-taking and Proactiveness). This was from his definition of an entrepreneurial firm as one that engages in product marketing innovation, undertakes somewhat risky ventures, and is first to come with proactive innovations.

Today, most of the studies on EO and firm-level performance build on the publication by Miller (1983). Morris and Paul (1987) impliedly introduced EO as the inclination of a firm's top management to take calculated risks, be innovative and demonstrate proactiveness. This was the definition that Lumpkin and Dess (1996) built on by adding two new dimensions ('propensity to act autonomously' and 'a tendency to act aggressive towards competitors') to the already established ones in the literature on entrepreneurship.

Also noteworthy in this review is the theoretical argument by Lumpkin and Dess (1996, 2001) that positions Entrepreneurial Orientation as a multidimensional phenomenon, in contradiction to the well-established and widely-held view that it is a unidimensional construct (Covin and Slevin 1991; 1989). Although Lumpkin and Dess' (1996) argument on the multidimensionality of the EO is still a developing line of research, empirical evidences are emerging systematically to

support their views (Rauch et al., 2009). Most of these empirical studies confirm that despite the synergistic relationship among the five constructs of EO, they can individually influence certain entrepreneurial behaviours in firms (Naldi et al., 2007; Rauch et al., 2009). Employing any of the EO dimension could be a strategic choice for family businesses (Miles et al., 2000). However, some factors (such as intentions, attitudes and values of the family behind the firm) may naturally influence this choice.

The general view in literature on entrepreneurship is that EO influences firm performance positively (Rauch et al., 2009). This is also a growing trend in family business literature. For example, Zahra (2005) reports a positive relationship between family ownership and firm performance; Kellermanns et al. (2008) also finds that proactiveness increases employment growth in family firms; Chirico and Sirmon (2011) finds a significant relationship between Entrepreneurial Orientation and performance of family firms. Although there are mixed findings in studies investigating the Entrepreneurship Orientation of family firms, the dominant view still suggests that EO may influence family firm's performance positively.

EO is in this study, assessed at the organisational level, in line with the focus of literature on EO (Covin and Slevin, 1991). The five EO constructs (innovation, proactiveness, risk-taking, autonomy and competitive aggressiveness) presented in the article by Lumpkin and Dess (1996) is also adopted in this study.

Autonomy

Entrepreneurs (mostly founders and/or founding families) are very passionate about their vision because it usually forms the motivating factor for establishing their autonomy (Schumpeter, 1934). Autonomy refers to the independent action taken by an individual or a group of people to bring forth an idea or vision and further carry it out to completion (Lumpkin and Dess, 1996). It

is the ability of an individual or a team to incubate an idea (usually directed at creating new products; market opportunities or new ventures) and taking absolute steps to ensure its completion (Lumpkin and Dess, 1996). It is a practice that is deeply embedded in being independent, wanting to establish one's individuality or unique capability (Krauss et al., 2005). Within an organisation, autonomy captures the absence of organisational constraints such as any bureaucratic process that would hinder the realisation of new opportunities (Lumpkin and Dess, 1996). These attributes of autonomy above are well represented in family business literature.

The place of autonomy is important in family businesses for various reasons. Most family owners crave the independence of their firms from external influences (Chrisman et al., 2003). Furthermore, the alignment of family and company's goals in family businesses (Daily and Dollinger, 1992) reduces bureaucracy in decision making, thus promoting entrepreneurial behaviours in family businesses. Although some contrary views hold that family businesses may sacrifice important and urgent economic needs in order to protect their independence from external influences (Schulz et al., 2001), it still remains one of the major goals of family firms that is positively linked with their performance (Astrachan and Zellweger, 2008).

In line with the above, this thesis measures autonomy through a family business' independence in decision making without interference from external parties or stakeholders, such as financial institutions. Autonomy is also reflected through the informal decision making process that occurs within small and medium-sized family businesses in Nigeria.

Based on the foregoing, the thesis proposes the following:

H2 (i) a: Autonomy positively influences the performance of Nigerian family firms.

H2 (ii) a: Autonomy is positively predicted by family culture.

H2 (iii) a: Autonomy positively moderates the relationship between family culture and firm performance.

Innovativeness

Lumpkin and Dess' (1996:142) definition of innovativeness is also adopted in this thesis. A firm's innovativeness is a reflection of its tendency to engage in and support new ideas, novelty, experimentation and creative processes that may result in new products, services, or technological processes. Schumpeter's famous 'creative destruction' principle introduced the role of innovation in the entrepreneurial process (Schumpeter, 1943). Innovation involves introducing new products, new production method, new marketing style, new product concept that aims at disrupting the existing structure within an industry or market (Schumpeter, 1934). It represents the desire to depart from an existing way of doing things by the organisation to continuously identifying new practices and solutions.

Lumpkin and Dess (2001) put the above categorisation by Schumpeter in clearer perspective by grouping innovation into two forms. These are product market innovation and technological innovation. Product market innovation takes place in the design, marketing and sales of products; whereas, technological innovation explains advancement in product development, engineering and research, with an emphasis on specialist knowledge. The basic assumption under the innovation construct is that it constitutes a company's exit from known organisational practices, to promotion of new ideas, effective changes, and identification of new opportunities. Thus, a firm that engages in innovative activities would most likely improve its chances of firm growth and subsequent profitability (Naldi et al., 2007).

However, it is important to mention that the extent to which firms engage in innovative activities may vary. Innovation in family businesses may depend on firm size, the intentions of family owners, and the balance between family orientation and business orientation. Overall, the RBV of the firm argues that family businesses are innovative in nature, based on the huge evidence of family participation in new venture creation (Aldrich and Cliff, 2003).

Therefore, innovation may occur significantly in Nigerian family businesses due to strong drive by Nigerian families for their firms to be successful, able to survive and fulfil family goals such as building a reputation and lasting legacy for the next generation (PWC Report, 2014). It is also further argued in this thesis that the presence of strong family values and commitment (family culture) in Nigerian firms would prompt innovative actions that would affect the performance of such firms positively. The following hypotheses are thus proposed:

H2 (i) b: Innovativeness positively influences the performance of family firms.

H2 (ii) b: Innovativeness is positively predicted by family culture.

H2 (iii) b: Innovativeness positively moderates the relationship between family culture and firm performance.

Proactiveness

Proactiveness involves the process of anticipating on what might occur in the future and acting on it. Proactiveness, according to Lumpkin and Dess (2001), reflects ‘the forward-looking perspective’ characteristic of a founder or management leader (CEO). This represents the ability and the foresight of the founder and/or CEO to act in anticipation of future demands (Lumpkin

and Dess, 2001:433). A broad definition that is adopted in this thesis is given by Venkatraman, (1989a). He defines proactiveness as

seeking new opportunities which may or may not be related to the present line of operations, introducing new products and brands ahead of competition and strategically eliminating operations that are in the immature or declining stage of the company's life cycle.

This is the most used definition for proactiveness in literature. This dimension of Entrepreneurial Orientation is sometimes confused with competitive aggressiveness (Lumpkin and Dess, 2001).

However, they are two clearly distinct dimensions. Proactiveness is usually characterised by the act of creating new products, technologies ahead of market demand; while competitive aggressiveness involves defending the firm's position in the market (Lumpkin and Dess, 1996). There are some measures of risks involved in being proactive; these are considered slightly higher than those normally associated with competition aggressiveness. This is because proactiveness involves taking actions to recreate a dynamic and/or hostile environment to one's competitive advantage, while competitive aggressiveness involves reacting to existing competitive trends and demands in a more stable and steady environment (Lumpkin and Dess, 2001). Proactiveness is thus characterised by being the first responder to an anticipated gap in the market. Two factors are identified by Lumpkin and Dess (2001) as factors that might affect proactiveness and competitive aggressiveness. They are environment and industry life cycles.

Environmental life cycle: This is examined under two concepts. They are dynamism of the environment which relates to the unpredictable change in a firm's environment; and hostility which indicates the level of scarcity and intensity of competition for environmental resources.

Studies examining the effect of environmental dynamism on the performances of small firms present the literature with diverse outcomes (Zahra and Pearce, 1989; Wiklund, 1999). The

outcome of a study by Miles, Covin and Heeley (2000) investigating the above relationship in small manufacturing firms suggests that environmental dynamism promotes organisational structure among small firms, which subsequently impacted positively on their performance. A similar study by Lumpkin and Dess (2001) on 94 mixed sized firms in the United States of America (USA) supports that proactiveness is most effective in a dynamic environment. The authors found that proactiveness is positively related to firm performance in a hostile environment. In family business literature, Dyer and Mortensen, (2005) investigating entrepreneurial process in a hostile environment found that entrepreneurs often times create ways for their firms to survive in a hostile environment.

Industry life cycle: This refers to the different growth phases of an industry, as previously explained on page 111 (Lumpkin and Dess, 2001). The industry life-cycle may affect a firm's proactiveness in different situations. This is because an industry that is matured or saturated is often times associated with slow growth, and any recorded successful entrance is usually done by taking over existing market share from a competitor (Lumpkin and Dess, 2001:438). Thus, little or no proactive decision taken by a firm operating within a saturated industry will affect its performance. On the other hand, a growing industry is often times associated with much better performance because there is less competition and more market opportunities for both new entrants and existing businesses to survive (Lumpkin and Dess, 2001; 437). Hence, the ability to recognise and tap into new opportunities within a growing industry will place a firm at a better advantage than its competitors. Thus, it is important to control for these factors in family business research.

In this thesis, proactiveness dimension of EO is measured by investigating a family business' inclination towards being the first to introduce products and/or services into the market. The

firm's position in initiating changes within the market or industry is also captured. These factors, if present in a family business, would promote positive firm performance through exploitation of opportunities by them. Thus, based on the above presentations, it is suggested that proactiveness dimension in family businesses prompts actions that may lead to positive firm performance. Furthermore, family culture also promotes behaviours (such as collectivism in decision making) and values (such as trust), which enhances the ability of the firm to make quick decisions when necessary, to stay ahead of competition.

The following are therefore proposed:

H2 (i) c: Proactiveness positively influences the performance of family firms.

H2 (ii) c: Proactiveness is positively predicted by the family culture of family firms.

H2 (iii) c: Proactiveness positively moderates the relationship between family culture and firm performance.

Risk Taking

In literature on EO, risk taking involves taking bold steps in attempting to move into a completely new or unknown terrain. Lumpkin and Dess, (1996) define risk taking in line with the three types of strategic risks identified by Baird and Thomas (1985:231-232). They are moving from the known to the unknown; committing large resources to new ventures; and heavy borrowings (Lumpkin and Dess, 1996:144). Therefore, in line with the above, this study defines risk-taking as venturing into the unknown which sometimes holds a high level of uncertainty. There is no organisation that does not take risk; their level or extent of risk taking is what differentiates entrepreneurial organisations from non-entrepreneurial organisations.

Risk taking is the only dimension of EO that has enjoyed significant coverage in family business literature. Zahra (2005) in his study, identifies “the nature of entrepreneurial activities undertaken by family firms in their operations as an important source of risk-taking”. The author also suggests that the involvement of families in new venture creation and subsequent investment of their resources in those ventures are behaviours that indicate the risk-taking attributes of family firms. Consequently, risk taking has been identified as a clear entrepreneurial process in family firms (Zahra et al., 2004). This view is also supported empirically by Zahra (2005) in his study who found that family business ownership generally promotes risk taking. Despite the link between family firms and risk-taking, the general view in literature suggests that non-family firms engage in more risky ventures than family-involved businesses (Fama and Jensen, 1983). This is because family firms are long-term oriented. This tends to reduce their propensity towards taking risks that they perceive would hurt the family’s investment in the firm (Naldi et al., 2007; Zahra, 2005).

In the Nigerian context, businesses are more protective of their wealth and this behaviour may be more prevalent in family-involved firms. The probability of Nigerian family businesses engaging large resources for unknown ventures would be considerably lower, in comparison with their counterparts in other countries due to their limited access to external funding (Africa’s Progress Report, 2014). This leads to a stronger propensity towards protecting the family’s resources in the firm. Furthermore, Nigerian family businesses operate in a more hostile business environment which is characterised by unfavourable and unstable government, policies among other factors (Ibrahim and Muritala, 2015). Therefore, venturing into actions that require more uncertainty than certainty may lead to unfavourable outcomes such as business loss. These constraints faced by Nigerian family businesses might also limit their resources (financial and

human) to very few risky ventures. Consequently, any attempt to undertake bigger projects (riskier ventures) may lead to negative firm performance.

This thesis therefore, presents the view that a high propensity towards risk-taking may negatively affect the performance of Nigerian family firms. Furthermore, the presence of family culture in Nigerian firms may influence behaviours that might prevent them from undertaking risky ventures because of the need to ensure the survival of their business.

Therefore, based on the above arguments, it is proposed in this thesis that

H2 (i) d: risk-taking negatively influences the performance of family firms;

H2 (ii) d: risk-taking is negatively predicted by family culture of family firms.

H2 (iii) d: risk-taking negatively moderates the relationship between family culture and firm performance

Competitive Aggressiveness

Competitive aggressiveness is suggested as one of the basic characteristics surrounding the activities of an entrepreneurial firm (Krauss et al., 2005). This is because it propels a firm to take an offensive position most times without letting down their guard, especially when entering a new market (Lumpkin and Dess, 2001). Competitive aggressiveness refers to the intensity of a firm's effort to outperform rivals within their industry (Lumpkin and Dess, 2001). For example, using a familial setting, when parents create a subtle competitive environment among their children, it often times leads them to the desire to work harder at their various duty positions, in an effort to outdo each other. Therefore, competition might create an opportunity for improved performance in stable environments.

According to Lumpkin and Dess (2001), competitive aggressiveness is achieved by setting ambitious market share goals; and taking bold steps to achieve them. Specific examples of competitive aggressive entrepreneurial actions in a highly competitive market include drastically reducing the price of products and/or services; and sacrificing immediate profitability for future gains (Lumpkin and Dess, 2001).

Examining the effect of this dimension among ninety-four (94) (mixed industry and sized) American firms, the findings of Lumpkin and Dess (2001) suggest that in more mature economies, competitive aggressiveness may enhance a firm's effort to maintain a strong position in the midst of intense competition due to the availability of very few opportunities. A positive correlation is found between firm performance and competitive aggressive behaviours such as strong marketing efforts and vigorous cost controls in mature industries. Thus, it might be in order to suggest that competitive aggressiveness, as an entrepreneurial construct, is required by small family firms operating within matured industries to stay ahead of competition while prospecting for long-term gains. However, the extent to which a family firm is willing to engage in aggressive competition may be relative to firm size and family goals.

The positive performances reported by some studies investigating the family involvement-firm performance relationship in large listed firms (Anderson and Reeb, 2003a) suggest that family firms engage in aggressive marketing of their products amongst other entrepreneurial drives to ensure the survival of their firms. In this thesis, it is therefore argued that Nigerians employ more of an aggressive posture towards marketing their products and services in order to stay ahead in competitions, ensure the survival of their firms and protect their businesses from unfavourable government policies. Given the importance of loyalty, discipline, promotion of family goals, interest, and name to firms with high family culture, the likelihood that this phenomena would

influence competitive aggressiveness in family firms is strong. Therefore, the following hypotheses are proposed:

H2 (i) e: Competitive aggressiveness positively influences the performance of family firms.

H2 (ii) e: Competitive aggressiveness is positively predicted by family culture of family firms.

H2 (iii) e: Competitive aggressiveness positively moderates the relationship between family culture and firm performance.

2.10.4 Small Business Orientation of Family Firms: Formation of Hypothesis

Small Business Orientation (SBO) is a construct developed based on a conceptual article written by Carland, Hoy, Boulton and Carland in 1984 on small business owners. The focus of these researchers was to differentiate enterprising firms from small businesses. Based on their theoretical arguments, Carland et al. (1984) suggest that small business owners possess a different orientation from enterprising firms, hence the two have distinct short and long term goals. Over the years, many other researchers built on their work trying to differentiate enterprising families from small business owners (Miles et al., 2000). However, there was still a huge gap in studies attempting to investigate the effect of this inverse orientation to EO on firm performance.

SBO is embedded in the non-economic goals of small businesses. SBO is viewed as an important strategic orientation in this study because it is an attempt to fulfil the increasing calls by family business scholars for more studies to shed light on the role of a family's non-economic goals in its strategic decision-making process (Chrisman et al., 2010). This seminal work of Runyan et al. (2008) used the Resource-Based View theory to develop measurable variables to investigate how the

‘Personal goals and Purpose’ and ‘Emotional Attachment’ of business owners would bring further advancement to the theory on family business.

Goals generally reflect the objectives, aims, and/or aspirations of individuals or organisations. They are perceived to be tools that might explain and predict the behaviour of businesses (Bateman et al., 1993- cited by Runyan et al., 2008:569). Personal goals in this thesis, therefore describes the personal objectives set out by the business owner to achieve from the business. For example, why set up a business? Is it to meet personal financial needs, build a personal name or family name, build an empire for the present generation and the next, or to develop a social status within a local community? These are examples of personal goals that prompt some people towards establishing businesses and most of them are non-economical.

However, personal goals will not only reflect the primary motivation of business owners for starting a business, but also for growing the business (Chrisman et al., 2010; Runyan et al., 2008; Cooper and Artz, 1995). While some may adopt an aggressive approach (which is usually associated with EO), others may follow a steady growth pattern just to ensure the survival of the firm within the scope of their resources (financial, time and human resources). The second approach, the non-aggressive approach towards growth, is a behaviour prompted by the values and vision of the owner(s) for the business.

In the literature on family business, family business goals are perceived to be different from the assumed firm-value maximisation goals of publicly traded or professionally managed firms (Sharma et al., 1997). The recurring question on family goals in the literature is whether family business owners place family needs over their firm’s growth, and if they do, what the impact of this on the business is. This is what SBO sets out to measure in this study. In the three major

ethnic groups and minority group in Nigeria, the importance of family (especially the extended family system) cannot be overlooked (Ekeopara, 2012). This is to suggest that measuring the non-financial goals of Nigerian family businesses and how this affects their performance outcome is a significant contribution to the family business research. Moreover, in the wider literature, this study has also observed that less attention is being paid to how achieving and not achieving non-financial goals affect the performance outcomes of family firms (Chrisman et al., 2010). Therefore, using the research context of the most populous country in Africa, to investigate this variable is considered relevant.

Emotional attachment represents the deep feeling that binds and connects someone to something or another person (Bowlby, 1969). It is almost a norm to see a display of emotions in every organisation. However, in businesses with dominant family involvement, this is more prominent because there is a longer history of shared experiences and relationship. Consequently, both positive and negative emotions such as love, joy, trust, anticipation, loyalty, anger, fear, are more freely shown in families than among non-family members. The argument by some scholars is that when these emotional factors of families merge with business factors, distinct behaviours are created in family firms (Eddleston and Kellermanns, 2007), which might have an impact on their performance outcomes (Barney, 1991). In addition to this family involvement, it could also lead to a strong attachment to a firm (which might not be reciprocal), thereby prompting actions and decisions which would ensure the survival of the firm.

In this study, Small Business Orientation by Runyan et al. (2008) is presented as a distinct strategic resource that prompts positive decisions and behaviours in Nigerian family firms.

Therefore this thesis is proposing as follows:

H3 (i) Small Business Orientation enhances the performance of family firms.

H3 (ii) Small Business Orientation is positively predicted by family culture.

H3 (iii) Small Business Orientation positively moderates the relationship between family culture and firm performance.

2.10.5 Environmental Dynamism: Formation of Hypothesis

A dynamic environment is shown in the degree of instability and turbulence of key operating sectors such as market and industry (Miles et al., 2000). These authors identify factors such as rapid technological advancements, inconducive economic, social and political forces as factors that can contribute to a highly dynamic environment. A dynamic environment is characterised by a rapid rate of change between customers and competitors (Khandwalla, 1977).

Although family businesses may have both firm and family-level business strategies and resources to compete and achieve their goals, there is a possibility that the situation may be different in an unstable environment. The generally acceptable argument of organisation theory is that environmental dynamism drives the structures of organisations (Miles et al., 2000). Consequently, a highly dynamic environment could negate all the benefits that are inherent in the interaction between family culture (family values and commitment) and firm performance. So when businesses operate in an unpredictable environment such as Nigeria (Ibrahim and Muritala, 2015), they must develop mechanisms that will enable them respond rapidly to changing environmental conditions in order to survive. Therefore, it is very relevant to investigate the moderating role of environmental dynamism on the family culture-firm performance link in Nigeria. This is due to the previous arguments and views presented in this chapter on the unfavourable economic conditions in which small and medium-sized businesses are operating in

the country (Ibrahim and Muritala, 2015; Africa's Progress Report, 2014; Okpara and Wynn, 2007).

Therefore, this study proposes that:

H4: Environmental dynamism moderates the relationship between family culture and firm performance in such a way that a high level of environmental dynamism reduces the effect of family culture on firm performance (Alarape, 2009; Samson and Mahmood, 2014).

2.11 Conclusion

This chapter reviewed and explicated the literature that is directly linked to the development of the hypotheses to be examined in this thesis. The discussions were directed towards the influence of family involvement and specifically family culture on the performance of family firms. The major themes in this study are family involvement (family culture), Entrepreneurial Orientation, Small Business Orientation, environmental dynamism and firm performance.

The chapter began with a discussion on family businesses, their prevalence and importance. Emphasis was given to the various roles played by family businesses in an economy; one of such is stabilising an economy during periods of recession. The dearth of information on family businesses in African countries, especially Nigeria was also identified. An historical review of the foundations of family business research was also carried with a table developed (in the appendix) to show how this phenomenon has evolved since inception.

The next section explored the various definitions and conceptualisation of family business in the literature with the purpose of identifying the variables that are important in defining this phenomenon in studies carried out in different nations. Six variables were identified from this process. They are ownership, management, governance, succession, family employee and family

culture. These six variables were argued to represent both the theoretical and operational aspect of family involvement in a firm. Thereafter, an inclusive definition was proposed in this study as a guide to enable future researches on family business to clearly delineate the concept while investigating it. This would ensure that when studies are being replicated, the same variables are measured, regardless of location and other factors.

This thesis acknowledges the presence of high quality studies in family business research. The rapid development witnessed in the literature on family business over time can be attributed to these researches. However, the various conflicting views on fundamental issues within family business research shows that the field is still undergoing some teething problems. Few gaps were identified and discussed in this review. Examples include the lack of theory development which has made it very challenging for researchers to build on each other's work (Vought et al., 2008; Chrisman et al., 2003; Brockhaus, 1994); the lack of a broad or inclusive definition for family business (Westhead and Cowling, 1998); huge conflicting views on the benefits of family involvement on firm performance (Dyer, 2006), thus, making the relationship between these two variables very complex. In order to contribute to literature and add to the collection of theoretical and conceptual developments on family business literature, a critical review of studies on family business was done and a distinct conceptual framework for this research was constructed.

The importance of family culture in general and specifically in Nigerian family businesses was also highlighted and discussed. Family culture was identified in this review as the very bedrock of family involvement in a business based on the fundamental role it plays at all levels of the society (family, church, community, state and nation). There was a brief overview of Nigeria's national culture and that of the three major ethnic groups. In the next section, family involvement and its link to the performance of family firms was explored in details. Several conflicting views

in extant literature were reviewed and presented before making the inferences that led to the choice of the performance measures adopted for this study.

The study also includes the discussion of the two strategic orientations (Entrepreneurial Orientation and Small Business Orientation) which are adapted to this thesis to investigate the decision-making process of Nigerian family firms. These two orientations were extensively reviewed before the formulation of hypotheses. The moderating influence of environmental dynamism on the association between family involvement and firm performance came into play due to the harsh economic conditions in which Nigerian businesses operate. This chapter gave a brief overview of this phenomenon before formulating a hypothesis.

The next chapter deals with the overall data collection and methodology of this study. It includes a brief discussion on this thesis' research philosophy, methodological approach and ethical issues. This was followed by a detailed discussion on the sampling and data collection process, the operationalisation of variables and the statistical techniques employed for this study.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The previous chapter reviewed the literature on family involvement and family culture and its likely impact on firm performance. Chapter two also described two strategic orientations – Entrepreneurial Orientation and Small Business Orientation – their relationships with firm performance, and possible influence on the link between family culture and firm performance. Based on these discussions, a conceptual framework and testable hypotheses were developed to further investigate the complex relationship between family involvement and the business.

This present chapter focuses on the research method employed in this study to empirically test the hypotheses addressing the research questions outlined in chapter one. In this chapter, the research approach is explained, followed by the discussion and justification of the research design. Specifically, it details the research purpose/aim; the research approach/paradigm; the research design, which includes data collection, sample selection and operationalisation of the study's variables. The chapter finally, outlines the statistical techniques and data analysis employed in this chapter.

3.2 Research Purpose/Aim

The aim of this thesis is to examine if family culture and two distinct strategic orientations (EO and SBO) affect the performance of family businesses in Lagos, Nigeria. This study is significant to the family business literature because no previous study has investigated family culture within the context of family businesses in Nigeria; furthermore, a review of the literature shows that studies on organisational culture (and not family culture) permeate extant literature. There is also

a gap in knowledge on the interrelationship between family culture, dimensions of entrepreneurial orientation (EO), and firm performance within the context of family business. There is only one study on small business orientation (SBO) carried out by Runyan, Droge and Swinney (2008) among small businesses. SBO is a strategic orientation that depicts the non-economic goals of business owners. Although several studies have discussed possible competitive advantages that non-economic goals might bring into family businesses (Chrisman et al. 2010), none has investigated the impact of this newly developed construct on firm performance within the context of family businesses.

A subsidiary aim of this research is to compare the levels of family culture in the elements present in the following variables: ethnicity (Yoruba, Hausa, Igbo or minority ethnic groups); gender (male or female-led owners and/or managers); and the generation controlling the business (first or second generations).

Therefore, the specific phenomena to be investigated in this study are as follows:

- The influence of family culture on firm performance of family businesses
- The relationship between dimensions on EO and firm performance of family businesses
- The relationship between SBO and firm performance of family businesses
- If any dimension of EO predicts family culture of family businesses
- If SBO predicts family culture of family businesses
- The moderating effects of EO, SBO and environmental dynamism on the relationship between family culture and firm performance

This study is primarily suggesting that family culture in family firms is a source of competitive advantage that eventually leads to positive firm performance. This argument is deeply rooted in the Resource-Based View of the firm (Habbershon and Williams, 1999). This research's conceptual framework is shown in figure 1 below.

3.3 Research Approach/Paradigm

In social science research, there is a general view that a research must contain the following before it can be considered as good and sound: ontology – ‘an assumed nature of reality’; epistemology – ‘assumptions about the nature of what can be known and how it can be known’; and the researcher’s role in the entire research process (Bryman, 2008; Easterby-Smith et al., 2012). However, there are varied opinions on the philosophical position that is most appropriate in this search for establishing truth or knowledge about reality. This section gives an overview of the two main philosophical perspectives in research and how they differ from each other. This discussion thereafter leads to the different assumptions guiding the methodology chosen for this research.

The two most common philosophical views in social science research are positivism and interpretivism (Veal, 2005). The positivism approach advocates the application of natural sciences’ methods in the study of social reality and beyond (Bryman, 2008), whereas interpretivism advocates that the social scientist adopts the subjective meaning of social actions (Bryman, 2008).

3.3.1 Positivism

In positivism, the basic assumption is that the social world existence is external and objective (Bryman, 2008; Smith, 1988). The central epistemological position is that the knowledge of the social world is acquired through the employment of objective methods. Specifically, researchers are expected to focus on facts, formulate hypotheses based on a developed theory, and carefully decide on appropriate methodology. Survey samples and controlled experiments are regarded as the primary mode of data collection. Variables are operationalised such that they become measurable and the theory is finally tested to increase the understanding of a phenomenon. The

positivist approach to research is scientific and systematic. It often lends itself to deductive reasoning and, subsequently, quantitative methodology (Veal, 2005). Deductive reasoning usually begins with a theory underlying the research hypothesis and then uses empirical evidence to support these hypotheses (Smith, 1988). Hence, quantitative methods rely on the researcher's ability to objectively gather numerical evidence of a particular phenomenon, and thereafter use this to answer the research question. In quantitative methodology, the aim is to measure, quantify or find the extent of a phenomenon (Kumar, 2005). The above explanation reflects the positivism philosophical perspective which is the adopted approach for this thesis.

3.3.2 Interpretivism

Interpretivism research paradigm, on the other hand, proposes that individuals act towards things based on the meanings they associate with them, thus suggesting that people cannot be separated from their social reality (Veal, 2005). Generally, the whole premise of interpretivism perspective is based on the assumption that the world around us is produced and controlled by people through their actions, reactions and interactions; therefore, events, institutions and/or organisations, cannot exist outside of these people (Bryman, 2008). The interpretivism research paradigm thus emphasises inductive reasoning, which leans on using subjective measures to develop hypothesis (Bryman and Bell, 2011). Qualitative research approach is premised on interpretivism and thus builds on inductive reasoning.

Qualitative research is from the observational elements that pose questions which the researchers attempt to explain (Williams, 2007:67). It involves collecting major information surrounding a social phenomenon, with the aim of describing and providing possible explanation of that phenomenon. Qualitative research approach thus emphasises the meaning of a phenomenon as opposed to the frequency of the social phenomenon. However, the possibility of applying the

outcome of studies carried out under the interpretivist view to a wider population is still somewhat limited (Myers, 2000; Bryman, 2008). Therefore, the positivist view remains the most dominant generalisable research paradigm in social sciences due to its association with establishing, confirming and validating relationships that are generalisable to other persons and places (Williams, 2007). Researches combining both qualitative and quantitative research methods are on the increase; however, due to time constraints and limited available data on family businesses in the study location, quantitative research approach is chosen and used in this study. The next section discusses the research design employed in this study.

3.4 Research Design

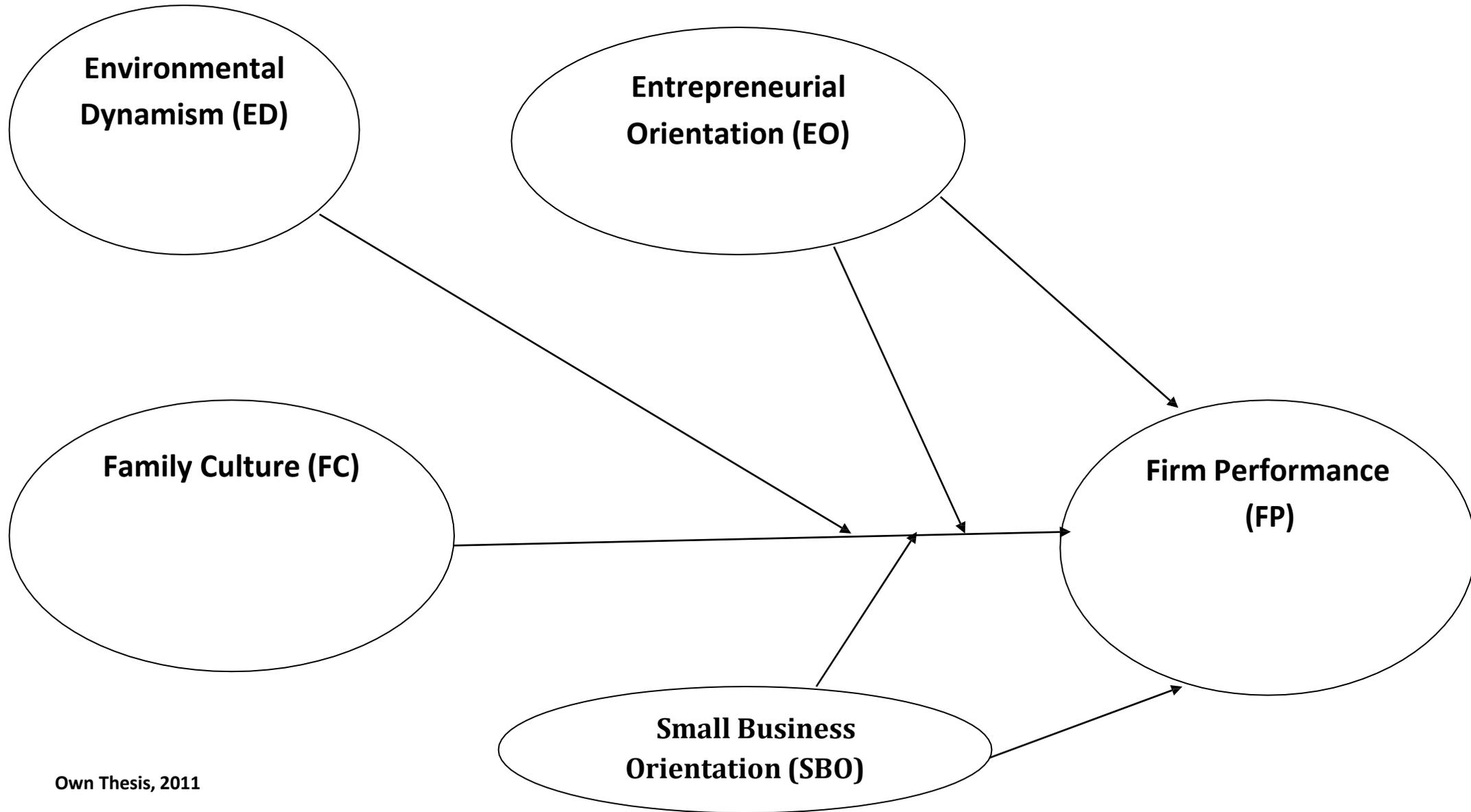
“The function of a research design is to ensure that the evidence obtained enables us to answer the initial questions as unambiguously as possible.” – de Vaus, 1999, 2002.

The research design is referred to as the blueprint for conducting a research, collection of data, and analysis of data (Burns and Grove, 2011; Bryman and Bell, 2011). A study’s research design shows the researcher’s plan for answering the research questions and/or testing the research hypothesis (Bryman, 2008) and obtaining results that as much as possible, reflect the objectives of the thesis. As mentioned in the previous section, quantitative methods are more appropriate for this study’s research context and location. Specifically, this study selects the quantitative research methods to test the generalisability of previously identified research findings in the family business and entrepreneurship literatures in the emerging economy of Nigeria, the most populous country and economic leader in the African continent. First, the research context of family businesses is almost non-existent in Nigeria. In more precise terms, this research attempts to empirically investigate within the context of family businesses, the associations of three

constructs to firm performance: family culture (also not widely tested in Europe and South America), Entrepreneurial Orientation (a widely tested and developed scale in Europe and South America) and Small Business Orientation (not widely tested in Europe and South America). Furthermore, the possible moderating influences of entrepreneurial orientation, small business orientation and environmental dynamism (the business environment) on the family culture and firm performance link are also investigated. Although the domain of family businesses was initially plagued with descriptive case studies and small sample sizes (Wortman, 1994a), more recent studies are employing larger samples, regression analysis and other sophisticated empirical findings in this field (Bird et al., 2002). Thus, the choice of the positivist view and quantitative research methods as this research's philosophy and design respectively is well supported in the family business literature (Sharma et al. 2012).

Consequently, an explanatory approach, premised on a survey research design, is adopted to address the overarching question of this research, '*to what extent would family culture and the underlying firm practices or strategies (entrepreneurial orientation and small business orientation) in dominantly family owned, managed and governed firms, influence firm performance?*' It also aims to answer the specific research questions and hypotheses outlined in the first chapter.

FIGURE 3.1: RESEARCH FRAMEWORK



Own Thesis, 2011

3.4.1 Population Definition

The population for this study are mostly Nigerian small family businesses – defined by the National Bureau of Statistics and SMEDAN (2010) as businesses employing between 10 and 49 employees –and few medium-sized family businesses that employ between 50 and 199 employees. This study’s focus on small family businesses is premised on the almost non-existence of empirical data on same in Nigeria, despite the possibility of their significant contribution to the economy of the country as speculated by Bruton, Ahlstrom and Obloj (2008).

The sampling frame used for this study was drawn from the data of small and medium sized enterprises available with the Lagos office of SMEDAN, as at July, 2011. The focus on Lagos was predicated upon the fact that it is the commercial centre of Nigeria, hence, it houses businesses owned and managed by families that have emigrated from around the nation. Lagos is also the political, social and cultural hub of the country. Most Nigerians regard the city as ‘no man’s land’, implying that Lagos does not belong to any specific ethnic group, but to every Nigerian. Furthermore, the most recent nationwide survey jointly conducted by NBS and SMEDAN confirms that Lagos has the highest number of micro, small and medium scale businesses in Nigeria (NBS and SMEDAN 2010).

3.4.2 Quantitative Research Methods

Based on the positivist view adopted in this thesis, the quantitative research approach is used. This approach is widely associated with scientific research because it has the capacity to provide objective and statistically valid information premised on quantitative measures. Although quantitative research has attracted some criticisms over the years, especially with regards to not being able to facilitate a detailed description of a social phenomenon (Denzin and Lincoln,

2008). This approach still remains the dominant research paradigm in educational research since the nineteenth century (Pring, 2000b). This is because it has been justifiably argued that in quantitative research; a phenomenon can be described based on hypothetical assumptions built around a pre-determined theory (Brewerton and Millward, 2001).

Overall, traditionally and technically, quantitative research usually gives researchers the opportunity to collect a larger sample, and, using appropriate statistical methods, ascertain that this sample is representative enough of the population in which they are drawn from. The validity, reliability and generalisability of the findings from the data collected from the sample to that population is then assured.

In this present research, the quantitative approach is used because of the nature, purpose and objectives of the study, since questionnaires and surveys are usually employed when carrying out preliminary studies, especially to gather information from a particular group (in this case, family business). Nevertheless, the research location has minimal or no significant information on family businesses. Specifically, quantitative methods are chosen for the following reasons:

- There is the need for a large data set to gather information on some social phenomena (in this case, family culture, EO and SBO).
- It is the most useful, cost effective and valuable research approach when seeking to gather valid and reliable data from a large number of respondents (Bell, 1999) on different aspects of their business.
- Since it is one of the pioneer studies using family business as a research context in Nigeria, there is a need to employ a research approach that is generalisable to family

businesses located in other states in the country most especially, and maybe those in other West African countries as well.

- The dominant use of quantitative methods in family business research also gives considerable support to this thesis' position and choice (Habbershon and Williams, 1999; Chua et al., 1999; Chrisman et al., 2003; Chrisman et al., 2004; Klein et al., 2005; Sharma et al., 2012).

3.4.2.1 Reliability of Measurements in Quantitative Research

Reliability and validity (to be discussed later) of measuring scales are considered extremely important in quantitative research (Bryman, 2008). Reliability represents the extent to which research findings can be repeated at other times given similar methodology and circumstances (Cohen et al., 2007; Hair et al., 2010). This suggests that a reliable measuring scale must be consistent and stable in measuring the underlying concept across different conditions (Field, 2005a). It also implies that the findings from the measuring scale must be replicable (Cohen et al., 2007).

The two main types of reliability in research are stability and internal consistency. Stability represents the measure of consistency over time using similar samples (Cohen et al., 2007). Internal consistency is a test of homogeneity of items in a measuring instrument (Cohen et al., 2007).

In this research, the five reliability indicators used are Cronbach's alpha ' α ', inter-item correlations, squared multiple correlations, composite reliability, and average variance extracted. The procedures and results obtained from these tests are discussed in detail in the Quantitative Analysis Chapter (Chapter Four).

3.4.2.2 Viability of Measurements in Quantitative Research

Validity reflects how well a research finding achieves what it sets out to measure (Zeller, 1988). It indicates how well a construct or measure reflects its unobserved construct (Field, 2005a). It can also be related to the extent to which the research instrument performs as it is designed to. Validity can either be internal or external. Internal validity relates to cause and effect in a research; it specifically shows the extent to which the design of a research study is a good test of the hypothesis (Bryman, 2008). External validity shows whether or not the research findings (the cause and effect relationship) can be extended to other conditions or generalized (Bryman, 2008). The common types of validity available are construct, content and criterion validity (Bryman, 2008).

Construct validity measures whether the operational definition of a construct reflects the actual theoretical meaning of the construct (Hair et al., 2010). Construct validity basically deals with the accuracy of the measurement scale (Hair et al., 2010).

Content validity is a concept that refers to the appropriateness of the content of a research instrument: Does the wording of each item and its presentation depict or portray the meanings it purports to assess? (Cohen et al., 2007).

Criterion validity shows the use of a well-established measurement procedure or scale to create a new measurement scale to assess the construct of the research focus (Bryman, 2008). Concurrent validity is said to have occurred when there is a high correlation coefficient between scores on a measuring scale and that of another existing scale, which has been accepted as valid. In this thesis, construct validity represented by convergent and discriminant validity is used as an indicator of validity.

3.4.3 Research Instrument

As mentioned in the previous section, a structured questionnaire is the tool used for data collection in this study. In family business research, the use of questionnaires gained prominence in the late 1990s (Sharma et al., 2012) and it is still widely used as a tool for data collection in most studies. The development of the questionnaire was guided by the theory presented in the previous section – extant literature on operationalisation of the constructs used in the hypotheses.

The structured questionnaire is a research instrument that is usually associated with quantitative research. It contains a series of questions and other prompts for the purpose of gathering information from respondents (Saunders et al., 2009). It is mostly used in quantitative research to generate data in a systematic and orderly way (White, 2000).

In this thesis, the questionnaire design is such that it does not only contain mostly close-ended and easily interpretable questions, but it encourages very minimal writing. Although the questionnaire is a bit lengthy (13 pages) because the research is geared towards seeking to obtain information on five constructs within a new research context, it did not discourage the respondents. This is because most questions surrounding each item on the five constructs are short and precise.

It is also noteworthy that almost all the items used in the questionnaire administered in this study are well developed and tested from relevant literature dealing with family business and EO. However, SBO, being a newly developed construct, has only been used in a seminal article on it. This thesis therefore provides the platform to further test and confirm the reliability and validity of the SBO construct.

The 13-page research instrument contains 92 statement-like scaled items and 45 other types of questions, making a total of 137 questions altogether. The questions are divided into nine broad categories covering the following areas:

- 1) background information about the business, including if the business was a family business or not; the year of establishment; whether it was a start-up or acquired; the founder of the business; generation managing and controlling the business; source of finance; legal status of the business; and industry sector.
- 2) Basic information on the business owner and/or manager (respondent): age, ethnicity, educational qualification, work experience, and years of being part of the family business;
- 3) Details on family involvement: family involvement in ownership (measured on a ratio scale of 0 to 100%), family involvement in management (actual numbers), family involvement in governance, control and decision making (actual numbers), and family employees (actual numbers). Information was also collected on family culture using a Likert scale (containing 13 items, adapted from Astrachan, Klein and Smyrniotis, 2002), and finally, the family's succession plan;
- 4) Information on the businesses' use of networking: registration with any trade, social or professional organisation, use of social media, rating the importance of business advice provided by family and non-family members, contribution of family and non-family members or groups to different aspects of the business, and their use of time;
- 5) Information on business strategic orientations: small business orientation (purpose and goals - 5 items and emotional attachment - 4 items), adapted from Runyan, Droge and Swinney (2008) and Entrepreneurial Orientation (EO) (autonomy 4 items', innovativeness - 5 items, proactiveness - 4 items, risk-taking - 4 items and competitive aggressiveness - 1 item), adapted from Lumpkin, Cogliser and Schneider (2009). Both scales (EO and SBO) contain some items that were negatively worded. These response

values would need to be reversed before conducting data analysis on them (Hair et al. 2010).

- 6) Information was also collected on environmental dynamism '4 items' and environmental hostility '4 items' adapted from Casillas, Moreno and Barbero (2011).
- 7) Information was collected on self-assessed economic but non-financial indicators: profitability, growth in company size (represented by employee size), sales revenue and market share. These previous studies were adapted: (Chirico and Sirmon, 2011; Wang, 2008; Naldi, Nordqvist, Sjoberg, and Wiklund, 2007; Kellermanns and Eddleston, 2006; Wiklund and Shepherd, 2003).
- 8) Lastly, four open-ended questions (answering these questions was made optional): 'advantages of owning and/or managing a family business in comparison with a non-family business'; organisational structural difference between family businesses and non-family businesses'; 'important factors fostering growth in family business in comparison with non-family business'; and 'typical problems associated with family businesses as compared with non-family businesses'. The respondents were assured of full confidentiality both verbally and via an official covering letter attached to each questionnaire (see appendix 6). Consequently, the confidentiality of each respondent is ensured by omitting their company names from the analysis.

The Likert scale was developed by Rensis Likert in 1932 for his doctoral thesis, and over the years, it has become the most commonly used attitude and opinion scale in quantitative research (Bryman, 2008). Specifically, the Likert scale of measurement was developed to measure the intensity of feelings of respondent about a concept. It requires the individuals to make a decision on their level of agreement, generally on a five-point or seven-point scale 'from strongly disagree to strongly agree' (Bryman, 2008). In statistical analysis, the number beside each response becomes the value for that response (Saunders et al., 2009). Likert scales range from four-point to seven-point scales, with five-point scale being the commonest. However, recent

researches have seen a rise in the use of the seven-point scale for data collection so as to provide a greater platform for data variation (Bryman, 2008).

The seven-point Likert scale was used to measure the five main latent constructs in this research: family culture, EO, SBO, business environment, and firm performance.

3.4.4 Ethical Considerations

In carrying out data collection for this study, ethical issues concerning the respondents and their welfare were given adequate thought and consideration. Prior to commencing data collection, ethical approval was sought from the ethics committee of Royal Holloway, University of London. This was reviewed and approved based on the careful guidelines outlined in the request for approval (which has been duly followed in this research) to protect the identity and welfare of the target respondents.

The ethical questions that arise for this study are similar to those existent in other quantitative or social research methods (Bryman 2008). The questionnaire survey method employed in this research involves handling sensitive information given in confidence by respondents. It is therefore very important to respect the individuality and privacy of each of these respondents. Furthermore, all information extracted from these respondents should be treated with utmost confidentiality and used solely for research purposes. In this regard, cover letters were sent to all respondents detailing the purpose and scope of this study. Verbal consents were also sought via telephone calls to each respondent prior to actual data collection and no respondent was pressurised to participate in the survey.

Furthermore, the research design and approach is such that mostly close-ended questions were used, thus preventing respondents from divulging personal information sensitive to them and/or their family business.

3.4.5 Target Population

As mentioned in chapter two, the target population for this research consists of Nigerian family businesses owned and/or managed by families from the following ethnic groups: Yoruba, Hausa, Igbo and minority groups. No specific restriction was placed on the type of business. This is because finding samples for family business research in Nigeria is especially challenging due to the lack of statistics or information on same in the country.

3.4.6 Unit of Analysis

In this study, the unit of analysis is the firm or business organisation. Family culture, EO and SBO are investigated at firm-level in line with the literature (Habbershon and Williams, 1999; Chrisman et al., 2003; Lumpkin and Dess, 2001; Rauch et al., 2009; Craig et al., 2014).

3.4.7 Sampling and Data Collection

This study employed the use of questionnaires to collect data via a face-to-face survey from family business owners whose information was obtained from the membership directory of the Lagos office of the small and medium scale enterprises of Nigeria (SMEDAN). The SMEDAN databank for businesses operating in Lagos (as at July, 2011), was used as the population frame for this survey. SMEDAN is a government agency, which is well accepted and respected by SMEs all over Nigeria. This is because of the numerous benefits (such as training, providing referrals to financial institutions, and networking) that the institution provides for micro-, small- and medium-sized businesses in Nigeria. The list provided by SMEDAN consists mainly of the

contact information of the chief executive officer (mostly owners), detailing the individual's phone number and business address. The use of SMEDAN as a primary data source was also predicated on the fact they hold the most comprehensive list of SMEs in Lagos and other parts of Nigeria. Furthermore, the support from SMEDAN also provided the required platform to receive a positive reception from the business owners. This endorsement was able to convince the business owners of the importance of their participation in the survey.

This study's sample was drawn from the 2000 businesses registered with SMEDAN as at July, 2011. Initial reviews of this list of businesses show that most of them are small businesses (950), followed by micro-enterprises (900). Very few of the businesses (150) claim to have an employee size of 50 and above (which is characteristic of medium-sized firms). This pattern of business size is not uncommon in Nigeria and this is confirmed by the subsequently published nationwide survey jointly carried out by preliminary report of the collaborative national survey carried out by the National Bureau of Statistics and SMEDAN. First, 900 companies were excluded from the study because they were being categorised as micro-enterprises (companies with less than 10 employees as defined by the National Bureau of Statistics (NBS) and SMEDAN, 2010). Microenterprises were excluded from the study because these firms are not within the focus and scope of this research. Most microenterprises in Nigeria consist of informal businesses managed by a single person, mainly entrepreneurs and since the focus of this research is on businesses with significant family involvement, they were excluded from the sample frame at this instance.

In the course of this study, all the remaining 1100 businesses were given equal chance of being selected by engaging in a tedious process of contacting each business on phone (using the numbers listed against the company's name in the SMEDAN databank). This was to find out if

theirs was a family business or not. Though, the telephoning process was time consuming, it was the most reliable and direct way of ensuring that the target population (family businesses) was reached. This tedious process also doubled as a means of making the necessary contact with the businesses/respondents ahead of the actual survey.

At the end of this exercise, 600 businesses could not be reached on phone and when attempts were made to contact them via the registered addresses given at SMEDAN, the businesses were either no longer in existence or had relocated and could not be located. The probability that these 600 businesses are still in existence is very slim because the businesses did not appear on the sub-lists of different trade associations visited during the initial screening stage. This is because SMEDAN provide periodic trainings for businesses registered with them, and overtime these businesses formed a network of associations depending on their lines of business.

One major step taken by the researcher while working on the sampling frame was to attend various locations where each business association holds its meeting and none of the 600 businesses was found on their list. This exercise was made possible through the useful leads given by the contacts at SMEDAN and the opportunity given to the researcher to visit SMEDAN's office at different times. These visits provided the platform for the researcher to meet with the owners of most of the businesses registered with SMEDAN; contacts were also established with some leaders of different trade associations.

Out of the remaining 500 businesses, only 240 firms confirmed that theirs were family businesses. The whole data selection process took a period of six months, after which an official letter was demanded from SMEDAN to support the sampling selection exercise that took place through their Lagos office. A copy is attached in appendix 7.

As expected, the thorough data collection procedure (described above) coupled with the face-to-face questionnaire survey ensured all the 240 questionnaires were duly completed. These questionnaires were also checked thoroughly after the exercise for missing information and none was recorded.

TABLE 3.1: Selection Process of Sample

	Number of firms extracted from SMEDAN Lagos Databank as at July, 2011	2000
Less	Micro-enterprises (firms with less than 10 employees; mainly owned and managed by single entrepreneurs)	900
	Remaining firms on the list	1100
Less	Firms that could not be covered	600
	Remaining firms on the list	500
Less	Firms that are not family businesses	260
	Final Sample of family businesses	240

Overall, a sample size of 240 was considered. The advantage of the above process is that all the businesses listed in the register of the SMEDAN office in Lagos (as at July, 2011) were given equal opportunity of being selected for this research. However, since most of the businesses registered with SMEDAN are micro and small businesses, no secondary data such as company annual reports were available at SMEDAN or any other website. These secondary data could have provided other information such as financial reports and list of directors/owners which could have made the data collection process easier.

Specifically, the following selection criteria were used in this study:

1. Firm size: Employee size must be between 11 and 199, as this thesis adopts the definition of small and medium scale enterprises by NBS and SMEDAN, 2010.

2. Family business: The Company must be a family business. Due to the dearth of literature on family business studies in Nigeria, the broadest criterion required to qualify as a family business was applied in this research. The basic criterion was family ownership. Family ownership in the context of this study was measured by the percentage of shareholding held ‘directly or indirectly in the business’ by the dominant family, related either by blood or marriage (Astrachan et al., 2002; Westhead and Cowling, 1998). Firms in which 51% or more of the ownership was held by a single family were categorised as a family firm. This decision is not unusual in family business research, as a couple of previous studies have adopted this approach of using ‘family ownership’ as a means of identifying family business while collecting data for their research (Ghobadian and O’Regan, 2006; Thomsen and Pederson, 2000).
3. Ethnicity: Although information was collected on owner family’s ethnicity eventually, this could not be done prior to the actual data collection because ethnicity was not part of the information held in SMEDAN’s database.
4. Micro-businesses (firms with less than 10 employees) were excluded from this research because the focus of this study is mainly on small to medium-sized family businesses (not just SMEs who are entrepreneurs). Secondly, the micro-enterprises listed on SMEDAN database are informal businesses mostly operating as small corner shops or open-market businesses with only one member of staff working for them. The researcher met with the association of microenterprises during the pilot survey and the information gathered from their leaders suggests that their members are entrepreneurs and not family business owners. Consequently, these microenterprises were therefore excluded from the sample frame because they are outside the scope of this research.

This thesis’ specific focus on family businesses is based on the following reasons. Family businesses are said to be the most dominant form of business in the world (Zellweger et al., 2010). Specifically, there are speculations that most SMEs in Africa might have a high level of family involvement in them (Nsehe-Forbes, 2014; Khavul et al., 2009). Generally, they account

for over 50% of employment in the private sector of most developed economies (Urwin and Buscha, 2012). Lastly, they play a significant role in urban development (Kilby, 1969).

In this thesis, data was collected using structured questionnaires containing predominantly closed-ended questions (as described in section 3.4.3 above). A copy of the questionnaire can be found in appendix 5. The questionnaire was first used in a pilot survey (conducted in June, 2011), administered to a sample of 10 small family businesses, obtained through convenience sampling. The participants in the pilot test were asked to evaluate the questionnaire, especially all the items in the five main constructs tested in this research. The following areas were assessed based on the respondents' views of the items: understanding, clarity and relevance to their business. The feedback from these participants suggested that all items were well interpreted because 8 out of the 10 participants that partook in the pilot survey answered all their questions promptly and accurately, indicating a response rate of 80%. It took approximately 30 minutes to complete each questionnaire (including the time for sharing pleasantries with the respondent). The pilot test respondents were however excluded from the actual survey. Carrying out pilot surveys is not uncommon in extant literature as this helps to identify and eliminate any ambiguity or problems that might be hidden in the research design (Bryman, 2008).

Prior to conducting the actual survey, this researcher hired and trained five enumerators, including a bi-lingual (English-Hausa speaking) lady, to assist in her fieldwork. This was especially important because of the burden of time and the need for assistance with the interpretation and translation of responses within the Hausa ethnic group. The training took five days.

Two enumerators were assigned to each ethnic group. The researcher worked with the Hausa speaking lady to collect data from this ethnic group so as to provide further clarity on the questionnaire items since these had to be translated orally into Hausa. All enumerators had basic high school diploma and were fluent in English. They were all participants of a training programme put together by a religious organisation in the sub-urban part of Lagos. Moreover, four out of five of the enumerators had worked as enumerators in a previous doctoral research at Lagos State University, Ojo, Lagos.

The five day training covered the basic rudiments required in conducting surveys: purpose of the study, detailed explanation of each item on the questionnaire, and basic explanation and follow-up demonstrations of how the questionnaire should be completed.

The actual data collection took six months (from January to July, 2012). The ease and promptness of this exercise was facilitated by the painstaking approach taken in the data selection period. Particularly helpful was the pre-data collection done through phone calls, which were made to each respondent or family business owner and/or manager.

3.4.8 Operationalisation of Research Variables

This section outlines the translation of this study's research models into measurable variables for the survey.

3.4.8.1 Independent Variables

The following are this thesis' independent variables: family culture, Entrepreneurial Orientation and Small Business Orientation.

3.4.8.1.1 Family Culture

Family culture is the main independent variable in this research. As discussed in chapter two, due to the multidimensionality of the scale (Cliff and Jennings, 2005; Chrisman et al., 2009), the culture subscale of the F-PEC scale was extracted and adapted to measure family culture in this thesis (Astrachan et al., 2002). F-PEC scale is a well-tested and used construct in family business literature for assessing family influence on a firm in a continuous scale (Klein et al., 2005; Holt et al., 2010; Rutherford et al., 2008; Zahra et al., 2008; Holt et al., 2010); hence, the choice of the culture subscale as the appropriate measuring scale to empirically assess family's influence with regards to culture.

Family culture in this research refers to the extent to which family and business values overlap and also family's commitment to the business (Astrachan et al., 2002). The 13-item measuring scale covers the following areas: family influence over the business; the synergy of family values among family members; the extent to which family and business values overlap; family support of the business in discussions with friends, employees and other family members; loyalty towards the business; identifying with the family business; perceived benefits in participating in the family business; common purpose on business goals; plans and policies; caring about the fate of the family business; how participating in the family business has positively influenced individual family members; and level of agreement among family members on the future of the family business.

3.4.8.1.2 Entrepreneurial Orientation (EO)

In quantitative research, the reliability and validity of the study lies strongly on the development of the measuring scales employed in the study. The Entrepreneurial Orientation (EO) is a well-tested construct employed within the domains of both family business and entrepreneurship

research to measure strategic processes, practices and styles of firms that engage in entrepreneurial activities (Lumpkin and Dess, 2001). It is regarded as the most widely used concept within entrepreneurship literature (Rauch et al., 2009). In literature on family business, family firms that engage EO as the basis for business decisions and actions are viewed as being able to create and sustain positive performance of the firm (Zellweger, 2007).

The five multi-dimensional EO construct suggested by Lumpkin and Dess (1996; 2001) is the approach adopted in this research. The overall view and arguments of these scholars suggest the five dimensions of EO (autonomy, innovativeness, proactiveness, risk-taking and competitive aggressiveness) may vary independently of each other in a given context (Lumpkin and Dess, 1996). Although these five EO dimensions are related to each other (as measuring one latent construct), they are separate, suggesting that firms may vary in the degree to which they exhibit each dimension. Therefore, recognising and investigating this multi-dimensional nature of Entrepreneurial Orientation may increase the understanding of the construct and its relationship to firm performance within different research contexts.

Autonomy refers to the independent actions of an individual or a team in bringing forth an idea or a vision and carrying it through to completion (Lumpkin and Dess, 1996). Innovativeness, the most widely tested EO dimension, refers to a firm's tendency to engage in and support new ideas, novelty, experimentation and creative processes (Lumpkin and Dess, 1996:142). Proactiveness refers to how a firm reacts to market opportunities by seizing initiative in the market place (Lumpkin and Dess, 2001). Risk-taking reflects the ability to take bold actions such as venturing into unknown new markets (Lumpkin and Dess, 2001). Competitive aggressiveness refers to how a firm reacts to competitive trends and demands that already exist in the market place (Lumpkin and Dess, 2001).

These five salient dimensions of EO are empirically investigated within the context of family businesses in Nigeria, a first within the country.

3.4.8.1.3 Small Business Orientation (SBO)

Small Business Orientation (SBO) refers to the strategic processes, practices and behaviours of mostly small businesses owners that are deeply embedded in non-economic goals such as personal goals, vision for the firm, emotional values, and ‘emotional attachment’ (Carland et al., 1984; Runyan et al., 2008). Non-economic goals are projected to reflect the perceptions, values, attitudes and intentions of the dominant group within an organisation (Cyert and March, 1963). They are posited to have idiosyncratic effects on family firms’ behaviour which may consequently affect their performance (Chrisman et al., 2012). A review of the SBO concept proposed by Runyan, Droge and Swinney (2008) shows that the scale is deeply rooted in family firm’s non-economic goals because it promotes areas like lifestyle, means of livelihood, expansion, personality of the founder, and emotional attachment to the business.. Moreover, family businesses are more likely to have and exhibit non-economic family-oriented goals that promote the unique interest of the controlling family (Getz and Carlsen, 2000). The question is: *‘can these goals be a strategic resource that can promote acceptable performance level in family firms?’*

As discussed in chapter two, the two dimensions identified under the SBO construct are *personal goals and emotional attachment*. Jenkins and Johnson (1997) suggest that when personal goals are driving a firm, commensurate personal strategies are developed around the business which may in turn drive an acceptable level of performance in the firms (Cooper, 1993). In the context of this research, personal goals include the satisfaction of being self-employed, the business as primary source of income, and developing personal goals of expanding the business. These

concepts defining personal goals in this research depict the two distinct types of goals and objectives of families explained by Singer and Donahu (1992). These are *family-centred businesses*, where is the family's way of life, and *business-centred family*, where business is a means of livelihood.

Emotional attachment is a new research concept within the family business context. Although previous studies have investigated emotion within family business, most addressed the following areas: *emotional capital* (Sharma 2004); *socio-economic wealth* (Gomez-Mejia, 2007); *emotional ownership* (Danes et al., 2008); *emotional value costs and benefits* (Zellweger and Astrachan, 2008); *emotional costs and emotional returns* (Astrachan and Jaskiewicz, 2008); *emotional energy* (Goss 2005; 2007)] – Labaki, Michael-Tsabari and Zachary (2013a). Using the definition of emotion given by Labaki et al. (2013a:3–4), in the context of this research, emotional attachment refers to the owner family's strong feeling towards the family business which is accompanied by commensurate behavioural changes towards the firm.

3.4.8.2 Moderating Variables

A moderating variable (called a moderator) represents the process that alters the impact of an independent variable 'X' on a dependent variable 'Y'. In other words, a moderator influences the strength of a relationship between two other variables (Baron and Kenny, 1986; Lewis-Beck et al., 2004). The moderating variable could either be categorical, continuous, or an indicator variable (Lewis-Beck et al., 2004). It could also be either qualitative or quantitative (Baron and Kenny, 1986). It is regarded as a special type of independent variable. It should be noted that statistically, moderation has occurred when there is a significant interaction. The use of moderating variables in family business research has gained more prominence over the years, especially to tease out possible underlying factors influencing the relationship between family

involvement and firm performance. In this present research, the following moderators are selected to check whether they modify the relationship between family culture and firm performance: Entrepreneurial Orientation (EO), Small Business Orientation (SBO) and the business environment (environmental dynamism and environmental hostility).

EO and SBO have been discussed previously in sections 3.4.8.1.2 and 3.4.8.1.3 respectively.

The literature review in chapter two identified two dimensions of the business environment: environmental dynamism and environmental hostility.

Environmental dynamism indicates the rapid changes in environmental conditions that erode the manager's ability to either predict future events or changes in their customer's preferences (Khandwalla, 1977). Environmental hostility refers to intense competition for environmental resources and also the scarcity of resources (Lumpkin and Dess, 2001). Both measures would be used to measure the moderator: business environment.

3.4.8.3 Dependent Variables

The singular dependent/outcome variable in this research is firm performance. Firm performance is measured in this thesis using the self-assessment approach. This is because most privately-held family firms are particularly reluctant to respond to objective financial measures (Neff, 2011). Moreover, previous researches in extant literature have shown that this self-assessment performance measure is objective and does correlate highly with objective performance measures (Wang, 2008; Wiklund and Shepherd, 2005; Miller et al., 2007). Furthermore, previous researchers have argued that reliance upon financial measures such as 'return-on-investment' and 'return-on-assets' might be limiting and inadequate in measuring performance in a diverse group such as a family business (Neff 2011). Also, the frequency of use of some

subjective measurements for performance by most researchers in recent years has increased the validity of these non-financial units. Steer and Porter, (1992) defines performance as efficiencies in the use of resources and the accomplishment of organisational goals. The inquiry on how family influence or involvement in a business affects firm performance has been a subject of dominant interest in family business literature in the last couple of years (Sharma et al., 2012). However, much still needs to be done, especially as Sharma et al. (2012) rightly point out that researches should still focus on the determinants of family firm performance, especially in privately held family firms. This is because the literature is still clouded with controversial findings on the positive effects of family involvement on firm performance in privately held family firms (Stewart and Hitt, 2012), unlike the clear direction on same in public family firms (Anderson and Reeb, 2003b; Lee, 2006).

In this research, this variable was measured by asking each respondent to self-assess their business performance using two approaches: comparing their present performance (as at 2012) with the past three years; and comparing their business performance with that of two of their known competitors. A seven-point Likert scale ranging from ‘strongly disagree’ to ‘strongly agree’ was used to measure this variable. The scale had eight items that measured the following indices of performance: profitability, growth in company size (represented by employee size), sales revenue, and market share. It was adapted from these previous studies: (Chirico and Sirmon, 2011; Wang, 2008; Naldi, Nordqvist, Sjoberg, and Wiklund, 2007; Kellermanns and Eddleston, 2006; Wiklund and Shepherd, 2003).

3.4.8.4 Control Variables

The following variables are used to control both individual and firm effects on family culture, Entrepreneurial Orientation, Small Business Orientation, business environment and firm

performance: respondents' demographic statistics (gender, owner's age, ethnicity); firm characteristics (firm age, firm size); and components of family involvement (ownership, management, governance, succession and family employee).

3.4.8.4.1 Respondent's Demographic Characteristics

Personal characteristics of respondents such as age and gender are controlled. This is due to the speculation that the demographic characteristics of people have effect on their bases and value and subsequently, their strategic preferences and dispositions (Mahto et al., 2010).

3.4.8.4.2 Firm Characteristics

Firm characteristics such as age (when the business began operating), and size (the number of employees cutting across all types: 'full time', 'part time', and 'casual') are controlled.

3.4.8.4.3 Components of Family Involvement

Components of family involvement as explained in family business literature consists of family involvement in ownership, management, governance, succession (Westhead and Cowling, 1998; Chua et al., 1999; Astrachan et al., 2002; Villalonga and Amit, 2006) and family employees (Cruz et al., 2012). These five components are controlled when investigating the relationships between the independent and dependent variables using regression analyses. Also controlled during these analyses are non-family involvement in ownership, management, governance, succession and employee. This is to prevent any undue effect on family culture, Entrepreneurial Orientation, Small Business Orientation, business environments and firm performance during the regression analyses.

3.5 Statistical Techniques and Data Analysis

The method of data analysis involves examining, categorising, tabulating, testing and presenting the quantitative data in a more interpretable format (Bryman, 2008). This section describes the main statistical tools employed in this thesis for data analysis.

3.5.1 Factor Analysis

Factor analysis is an analytical tool that explains the important properties of a scale. It is an interdependence method for identifying the factors that are responsible for the correlation among a group of variables (McDonald, 1980). Specifically, the goal of factor analysis is to reduce the dimensionality of the original raw scale and give an interpretation to the new scale by reducing the number of dimensions attached to the original scale (Rietveld and Van Hout, 1993). In simpler terms, what factor analysis does is to identify a set of common factors which are responsible for the most total variation but are fewer in number than the variables (Field, 2005a). Consequently, the idea of factor analysis is to bring inter-correlated variables together under a more general underlying variable (Field, 2005a). In this study both exploratory factor analysis and confirmatory factor analytical tools are used to analyse the validity and reliability of the latent constructs in the measuring instrument.

Exploratory Factor Analysis (EFA) involves the use of multiple methods for the following: to determine the number of factors to retain, to review the pattern and structure coefficients of these factors to determine factor loadings, and the extraction of second-order factors when the factors are correlated (Field, 2005a). EFA is used traditionally to explore the possible underlying structure in a set of observed variables without enforcing a predetermined structure on the outcome (Field, 2005a). To be precise, Principal Component Analysis (PCA) is used for factor

extraction in this thesis. The EFA is performed using the most widely used statistical tool in quantitative research, Statistical Package for Social Sciences 17 – (SPSS).

Confirmatory Factor Analysis (CFA), however, is taking a step beyond EFA to verify the factor structure of a set of observed variables using advanced statistical technique. Here, the researcher is able to use a prior knowledge of the theory guiding the latent variable to empirically test the hypothesis that a relationship actually exists between the observed variables and their underlying latent structure (Nunnally and Bernstein, 1994). CFA, in other words, is used for analysing the validity and reliability of the theoretical latent structure employed in a measuring instrument (Nunnally and Bernstein, 1994). The statistical software employed for the CFA is AMOS (Analysis of a Moment Structures.)

3.5.2 Multiple Linear Regression Analysis

In this thesis, Multiple Linear Regression Analysis is the principal statistical technique used for data analyses and for subsequently testing the study's hypotheses. It is a statistical tool used in analysing the relationship between a single dependent variable and several independent variables (Aiken and West, 1991). More specifically, it is an extension of simple linear regression analysis and is used to assess the association between two or more independent variables and a single continuous dependent variable. The generic multiple linear regression equation is as follows:

$$\hat{Y} = b_0 + b_1 X_1 + b_2 X_2 + \dots + b_p X_p$$

where \hat{Y} is the predicted or expected value of the dependent variable, X_1 through X_p are p distinct independent or predictor variables, b_0 is the value of Y when all of the independent variables (X_1 through X_p) are equal to zero and b_1 through b_p are the estimated regression

coefficients. Each regression coefficient represents the change in Y relative to a one unit change in the respective independent variable.

The purpose of multiple linear equation in this research, using hypothesis testing, is to determine: whether family culture affects firm performance; if entrepreneurial orientation affects firm performance; and whether small business orientation affects firm performance. The ultimate goal of employing the statistical tool is to allow a detailed discussion of the quantitative results of the analysis in light of the significance of the beta coefficients entered into the model, as opposed to describing the accuracy and the fitness of the model.

This study's research framework shows that EO, SBO or the business environment might moderate the relationship between family culture and firm performance. Thus, Andrew Hayes' PROCESS, an add-on process in SPSS, is used to investigate these possible moderation effects. The process involves running a regression analysis on centred terms to examine the effect of the moderators on the relationship between the predictor (family culture) and outcome (firm performance) variables (Hayes, 2013).

All the assumptions that are required to be met before carrying out a Multiple Linear Regression are checked and findings discussed in chapter four (data analysis and results chapter). These include: the assumption of normality of data distribution, absence of homoscedasticity, and no multicollinearity among the independent variables (Cohen et al., 2007).

3.5.3 One-Way Analysis Of Variance Test (ANOVA)

The one-way analysis of variance (ANOVA) test is used to determine whether there are any significant differences between the mean of three or more independent or unrelated groups.

Specifically, the ANOVA test compares the means between the independent groups of interest in order to determine whether any of those means are significantly different from each other.

The null hypothesis in ANOVA test is

$$H_0: \mu_1 = \mu_2 = \mu_3 = \dots = \mu_k$$

In the formula above, μ represents group mean and k stands for number of groups. In the event that the one-way ANOVA result is significant, the alternative hypothesis (H_A), is accepted. This significant result shows that there are at least two group means that are significantly different from each other (Arias-Castro et al., 2008).

The purpose of the one-way ANOVA test in this study is to investigate any possible significant differences in the family culture and firm performance means of the four ethnic groups represented in this research. Before carrying out the test, all the six assumptions of one-way ANOVA test had been met: the dependent/outcome variable should be continuous; the independent variable must consist of two or more categorical variables; there should be no relationship between the observations in each group; there should be no significant outliers; the dependent variable should be approximately normally distributed; and there should be homogeneity of variances (Levene's test is used to check this). The Levene's test is used to assess whether there are equal variances across any number of groups (Hair et al., 2010).

3.5.4 Independent T-Test

The independent t-test is an inferential statistical test that is used to determine whether there is a statistically significant difference between means in two unrelated groups. Similar to one-way ANOVA test, the null hypothesis for the independent t-test is that the population means from the two unrelated groups are equal:

$$H_0: u_1 = u_2.$$

The objective of most researchers is to obtain a significant result which would enable them reject the null hypothesis and accept the alternative hypothesis (H_A), which suggests that the population means are not equal (Sedgwick, 2010). This research checked for all the assumptions required for carrying out an independent t-test (similar to those stated in section 3.4.2 above for one-way ANOVA) prior to conducting the test.

The independent t-test is engaged in this thesis to examine any possible significant differences in the means of the family culture and firm performance between the two gender groups and the generation controlling the business (first and second generation).

The SPSS (version 17) software was used for regression analysis, one-way ANOVA, and independent t-tests. It was also used for testing the underlying assumptions for Multiple Linear Regression, one-way ANOVA and independent t-tests.

3.6 Chapter Summary

This chapter detailed the research methodology employed in this study. Specifically, the research purpose, approach, and design were discussed exhaustively. In the last few sections of the chapter, the statistical techniques used in this research were highlighted and discussed. In the following chapter, the research hypotheses are tested according to the statistical procedures outlined in this chapter.

CHAPTER FOUR: QUANTITATIVE ANALYSIS AND RESULTS

4.1 Introduction

The purpose of this chapter is to present the results of the analyses for testing the hypotheses of this doctoral research. This is an important part of this thesis as it guides the interpretation of the research hypothesis.

This chapter centres on the preparation and screening of data; the demographic characteristics of the family firms studied (which are provided and described); the demographic characteristics of the respondents studied; a brief overview of the control variables; descriptive analyses of the measurement scales; a description of the components of family involvement. It contains a test of validity and reliability of all constructs and a report of the significant association found in the constructs via correlations.

The chapter also states the hypotheses of this thesis; shows the outcome of the regression analysis conducted; the moderating effects of the dimensions of EO, SBO, and dynamism on the influence of family culture on firm performance (FP); the outcome of the one-way analysis of variance test on the levels of family culture and FP based on the respondents' ethnic groups. The chapter further indicates the outcome of an independent-sample t-test examining the levels of family culture and firm performance between male and female-led family businesses; and finally, the results of an independent t-sample test, examining the difference in the level of family culture and firm performance between first and second generation governance of family businesses.

4.2 Preparation and Screening of Data

All returned questionnaires were thoroughly screened at the point of collection to ascertain that they were properly completed. Thereafter, the data collected through the administered questionnaires were coded and entered into the main statistical package employed in this study, SPSS 17.0. The first part of the screening process was to check for non-response for some items. Next, data entry error was checked and eliminated. Normality and multicollinearity were also examined following the procedures in the literature (Doane and Seward, 2011; Hair et al., 2010). The study also checked for univariate and multivariate outliers in the main research variables, following the procedures outlined by Tabachnick and Fidell (2007) with the aim of minimising the high effect or influence of one or two errant data points on the statistical analysis (Stevens 2002). The recommended range are as follows: any case with z scores within the range of ± 2.5 is applicable to a sample size of at most 80; and z scores in the range of ± 4.0 are acceptable for a sample size that is greater than 80 (Stevens 2009). Standardised scores outside this range were considered to be potential outliers. Although the mostly acceptable figure is 3.29, Hodge and Austin (2004) in their widely cited paper suggest that removing outliers from a dataset is a subjective decision, which is mainly based on the sample population.

Univariate outliers are outliers that occur within a single variable. In most studies, the primary concern is to ensure that there are no univariate outliers in the dependent variable. Multivariate outliers on the other hand, are cases that have unusual combination of values for a number of variables (Hair et al., 2010). Therefore, in this thesis, it is ensured that as part of the data screening, all univariate and multivariate outliers were identified and eliminated among the dependent and independent variables. The outcome of this analysis is shown in appendix 8. The results show that no variable recorded z scores greater than +3.7 or -3.7, which is within the

range suggested by Stevens (2009). Firm performance (the main dependent variable) has z-score <3.29, whereas, family culture (the main independent variable), has standard scores >3.0 but less than 3.5 (z-scores <4.0 are applicable in sample size >80 according to Stevens, 2009).

Further checks were however carried out on the family culture variable because its z-score is outside the widely acceptable range of ± 3.29 . This is mainly for the purpose of clarity. The data collection instrumentation was checked to determine whether the potential outliers detected with z-scores outside the ± 3.29 widely acceptable range was due to instrumentation error but none was detected. Further checks included a principal component factor analysis with and without the potential outliers in this variable and the results were compared. The outcome of this step shows consistency in the findings of the analysis conducted with and without the potential outliers in the family culture variable, which is a three-factor structure obtained at eigenvalues >1 (see appendix 8). Consequently, no data was removed from the family culture variable.

Next is checking for multivariate outliers which refer to an unusual combination of values for a number of variables determined, using Mahalanobis distance statistics. This test is also called Mahalanobis D^2 (Hodge and Austin, 2004; Hair et al., 2010). Mahalanobis D^2 is a multidimensional version of z-score. It measures the distance of a case from the mean centre (multidimensional mean) of a distribution, given the covariance (multidimensional variance) of the distribution (Hodge and Austin, 2004). In this instance, a case is considered to be an outlier if the probability associated with its D^2 value is ≤ 0.001 . It is imperative to mention that D^2 follows a chi-square distribution, with the degrees of freedom equal to the number of variables included in the calculation (Tabachnick and Fidell, 2007). For seven independent variables, the value of the Mahalanobis distance chi-square with 7 degrees of freedom and alpha level of 0.001 is 24.32.

Any case with these values having Mahalanobis D^2 value greater than 24.32 is considered to be an outlier.

The Mahalanobis D^2 values in this study range from 0.848 to 19.870, which indicate that there are no multivariate outliers in the data set. The test of normality of data distribution was assessed by examining its skewness and kurtosis. Skewness is the measure of the asymmetry and kurtosis is a measure of peakedness of a distribution. The absolute values of skewness and kurtosis are used to assess the linearity of the variables, and most consensus in the literature lies with the range of <2 for skewness and <4 for kurtosis. Values outside this range are associated with non-normality of the data distribution. In this study, the values for skewness and kurtosis ranged from absolute values of 0.067 to 1.420, thus the assumption for normality was satisfied. Other tests such as checking for multicollinearity, homoscedasticity and the assumptions of regression and one-way analysis of variance were reported in the respective sections prior to conducting regression analysis later in this chapter.

4.3 Descriptive Statistics – Family-Involved Businesses

4.3.1 Research Population and Sample

The target population of this study consists of family businesses in Lagos, Nigeria. Since there were no specific institutions (private or public) having a databank of this type of businesses in Nigeria, no limitation was placed on the industry type or the legal status of the business. As mentioned in chapter three, information on family businesses were identified and collected from SMEDAN's (Small and Medium Enterprises Development Agency of Nigeria) database in Lagos. In total, 240 family businesses were surveyed, out of which 3 were removed during data screening.

4.3.2 Industry Distribution of Family Businesses

As mentioned earlier, in collecting data on industries, no restriction was placed on the type of industry that could be included in this study. The respondents were given several options in the research instrument and based on the description of their main lines of businesses, different categories of business groups were created under the three known major sectors, namely, manufacturing; trading; and services (Wiklund and Shepherd, 2005). The results are shown in table 4.1 below.

TYPE OF BUSINESS	BUSINESSES INVOLVED	%
MANUFACTURING		
Agriculture; Food & Beverages	13	5.5%
Chemicals, Pharmaceuticals and Paints	7	3.0%
Personal Products and Detergents	15	6.3%
Other Manufacturing ^a	11	4.6%
TOTAL	46	19.4%
TRADING AND RELATED BUSINESSES		
Farm and Animal Produce	19	8.0%
Food and Beverages	7	3.0%
General Wholesaling and Retailing ^b	46	19.4%
TOTAL	72	30.4%
SERVICES		
Haulage and Transportation	8	3.4%
Professional and Educational Services ^c	23	9.7%
Technical Services and Property Development ^d	14	5.9%
Other Services ^e	74	31.2%
TOTAL	119	50.2%
GRAND TOTAL	237	100%

^aFoams/Beddings; Packaging and Plastic; Paper and Paper Products; Metal and Wires; Vehicular Parts (Tyres); Stove Thread; Textiles and Footwear; Wood and Furniture.

^bAutomobile and Vehicular Spare-parts; Chemist and Pharmacy; Computers; Distributorship; Foam and Beddings; Footwear; Electronics; Household goods and Furniture; Paint; Paper and related Products; Personal Products and Detergents; Phone and Accessories; Stalls; Supermarkets; Textile and Clothing.

^cAccounting; Architecture; Financial Services; Education (schools); Law; Marketing; Medical Services; Professional Association and Training

^dConstruction; Engineering; Oil and Gas; Property Development and Estate Management.

^eAutomechanic; Bricklaying; Bureau De-Change; Catering; Clearing and Forwarding; Consulting; Contracting; Dry-cleaning; Fumigation; Entertainment; Event Management; Fashion Designing; Hairdressing and Barbing; Hospitality; Newspaper; Publishing and Printing; Photography.

The businesses in table 4.1 are organised as follows: all manufacturing type businesses are listed first; followed by trading-related businesses; and lastly, service based businesses which included one construction firm. The study sample consists of 237 family firms with a good mix of businesses. It is however noteworthy to mention that there is no high-technology based business in the mix. This may be because of precedence as explained in the literature that most family

businesses engage in more traditional businesses such as farming, small-scale manufacturing and other related businesses in developing countries (Jorissen et al., 2005).

The findings of the industry analysis show the following: the majority of sampled firms are service providers (50.2%); followed by trading (30.4%) and the lowest being the manufacturing sector with a percentage of 19.4%. The distribution of industries as recorded in table 4.1 below is similar to the findings of a study by Woldie et al. (2008), based on the data collected from 523 small and medium scale enterprises in five major cities in Nigeria (Lagos, Abuja, Ibadan, Anambra and Kaduna).

4.3.3 The Profile of Sample Family Businesses

Studying family owned businesses is the main focus of this doctoral thesis as stated previously in the methodology chapter. Therefore, all the firms selected for this study are family owned. This is shown in the summary table below. The respondents that completed each questionnaire are key members of the families that own the businesses; performing the roles of owners, managers and control (governance).

4.3.3.1 Firm Age and Size

Firm age is one of the most frequently used methods of indicating the life cycle stages of firms in management (Evbuomwan et al., 2012; Bulan and Yan, 2010; Miller and Friesen, 1984). However, different authors use the approach that is most suitable to their study. For example, Bulan and Yan (2010) who studied the publicly quoted companies started counting firm age from the 1st year of each firm's initial public offering (IPO). Other studies have adopted Miller and Friesen's five life cycle stages calculating firm age from the business start-up date (Miller and Friesen, 1984). Some other authors calculate firm life cycles based on industry (Black, 1998). In this thesis, the categorisation of firm's life cycle according to business age follows the approach

of 'The World Bank Policy Research Working Paper', compiled by Ayyagari, Demirguc-Kunt and Maksimovic (2011:2–5 28–29); and a paper written by Woldie, Leighton and Adesua (2008:8). The World Bank's categorisation was especially adopted because the study samples were small. They were medium scale businesses in 99 developing countries, which is very applicable to this thesis' research site, Nigeria. In the categorisations from World Bank and Woldie et al.'s papers, firms not up to two years of existence are referred to as start-ups; those between three and five years are young firms; six to ten year old firms are in their growth phase; while all firms with more than ten years of existence are categorised as matured firms.

Following the above categorisation, table 4.2 shows the age distribution of firms based on their existence since the company was either registered (for registered businesses), or had commenced operations (for unregistered businesses) (Ayyagari et al., 2011; Casillas et al., 2010; Zahra, 2005).

The youngest business in the sample of 237 family businesses as at July, 2012 was 6 months old, while the oldest was 70 years. The data show that firms between 10 and 20 years in their maturing stage have the largest numbers (71) – representing 30% of the overall sample. This is followed by firms older than 20 years (in their matured stage) 27.8%; and firms in their growing phase, between the ages of 6 and 10 years (50) – representing 21.1% of the sample. Young firms between the ages of 3 and 5 years (33) represented 13.9% of the sample; while start-ups to very young firms of less than and equal to 2 years were only 17 in number – representing 7.2% of the sample. The average age of sampled firms is 14.9 years and the standard deviation is 11.3.

Table 4.2 also provides the descriptive statistics pertaining to firm size. Firm size, in this thesis, is defined by the employee size of each family business (Zahra, 2005; Fernandez and Neito,

2005; Woldie et al., 2008; Ekpenyong and Nyong, 1992; Runyan et al., 2008; Casillas et al., 2010; Wang, 2008). The thesis also adopts the recent criteria specified by the National Bureau of Statistics' (NBS) and Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in differentiating between micro, small and medium scale enterprises (NBS and SMEDAN, 2010). Micro enterprises are defined as those enterprises with a workforce of less than 10; small enterprises are those enterprises with a total workforce of between 10 and 49 employees; while medium enterprises are those enterprises with a total workforce of between 50 and 199 employees (NBS and SMEDAN, 2010).

The World Bank's categorisation was especially adopted because the study samples were small. They were medium scale businesses in 99 developing countries, which is very applicable to this thesis' research site, Nigeria. In the categorisations from World Bank and Woldie et al.'s papers, firms not up to two years of existence are referred to as start-ups; those between three and five years are young firms; six to ten year old firms are in their growth phase; while all firms with more than ten years of existence are categorised as matured firms.

Following the above categorisation, table 4.2 shows below the age distribution of firms based on their existence since the company was either registered (for registered businesses), or had commenced operations (for unregistered businesses) (Ayyagari et al., 2011; Casillas et al., 2010; Zahra, 2005). The youngest business in the sample of 237 family businesses as at July, 2012 was 6 months old, while the oldest was 70 years. The data show that firms between 10 and 20 years in their maturing stage have the largest numbers (71) – representing 30% of the overall sample. This is followed by firms older than 20 years (in their matured stage) 27.8%; and firms in their growing phase, between the ages of 6 and 10 years (50) – representing 21.1% of the sample. Young firms between the ages of 3 and 5 years (33) represented 13.9% of the sample; while

start-ups to very young firms of less than and equal to 2 years were only 17 in number – representing 7.2% of the sample. The average age of sampled firms is 14.9 years and the standard deviation is 11.3.

TABLE 4.2: A Brief Profile of Sampled Family Businesses

VARIABLE		N	%	
TYPE OF BUSINESS	Family Firms	237	100%	
BUSINESS AGE IN YEARS (SINCE FOUNDED THE COMPANY)	Mean Age	14.9		
	Standard Deviation	11.3		
	Minimum Age	0 (6 months)		
	Maximum Age	70 years		
	Business Age Range	<= 2 years	17	7.2%
		3 – 5 years	33	13.9%
		6 – 10 years	50	21.1%
	10 – 20 years	71	30.0%	
	>20 years	66	27.8%	
	TOTAL	237	100%	
FIRM SIZE (According to the number of Employees)	Small Family Businesses	212	89.5%	
	Medium-Sized Family Businesses	25	10.5%	
	TOTAL	237	100%	
BUSINESS STATUS AT INCEPTION	New Start-up	234	98.7%	
	Acquired	3	1.3%	
	TOTAL	237	100%	
FOUNDERS' DISTRIBUTION	Respondent	100	42.2%	
	Respondent's Spouse	13	5.5%	
	Respondent's Siblings	4	1.7%	
	Respondent's Parents	44	18.6%	
	Respondent's Grandparents	2	0.8%	
	Previous Owners	3	1.3%	
	Respondent & Spouse	39	16.5%	
	Respondent & Siblings	20	8.4%	
	Respondent & Others	12	5.0%	
	TOTAL	237	100%	
BUSINESS' LEGAL STATUS	Sole Proprietorship	93	39.2%	
	Partnership	7	3.0%	
	Limited Liability Company	102	43.0%	
	Unregistered	35	14.8%	
	TOTAL	237	100%	

Table 4.2 also provides the descriptive statistics pertaining to firm size. Firm size, in this thesis, is defined by the employee size of each family business (Zahra, 2005; Fernandez and Neito, 2005; Woldie et al., 2008; Ekpenyong and Nyong, 1992; Runyan et al., 2008; Casillas et al., 2010; Wang, 2008). The thesis also adopts the recent criteria specified by the National Bureau of Statistics' (NBS) and Small and Medium Enterprises Development Agency of Nigeria

(SMEDAN) in differentiating between micro, small and medium scale enterprises (NBS and SMEDAN, 2010). Micro enterprises are defined as those enterprises with a workforce of less than 10; small enterprises are those enterprises with a total workforce of between 10 and 49 employees; while medium enterprises are those enterprises with a total workforce of between 50 and 199 employees (NBS and SMEDAN, 2010).

As Table 4.2 shows, majority (89.5%) of the sampled firms are businesses with a workforce of between 10 and 49 employees and are therefore small businesses. The remaining 10.5% are businesses with a workforce of between 50 and 199 employees and are therefore medium-scale businesses (NBS and SMEDAN 2010). This finding is similar to that reported by Woldie et al., (2008) on small and medium scale enterprises in Nigeria. Woldie et al.'s finding also showed a significant gap between small-sized (77.2%) and medium-sized firms (22.8%) in their study sample; thus supporting that the finding of this thesis is not unusual within the research context.

Further analysis to investigate a possible significant association between the firm size and the firm age, using a cross-tabulation analysis produced the following results: $\text{Gamma}=+0.575$, $p<.0000$. These results suggest a moderately significant positive association between the firm age and the firm size in the study sample which is generalisable to the study population. The results presented in table 4.3 below also shows the following detailed analyses between the two variables: firms with less than 2 years of existence represent only a small proportion (7.2%) of total employment in the overall sample. On the other hand, matured firms, aged 10 years and above, made more contributions to employment, with small and medium-size firms reporting 47.7% and 10.1% respectively.

TABLE 4.3: Firm Size by Firm Age

FIRM AGE	SMALL-SIZE FIRMS (10 - 49 Employees)	MEDIUM-SIZE FIRMS (59 - 199 Employees)	TOTAL
<=2 years	17 (7.2%)	0 (0%)	17(7.2%)
3 – 5 years	33 (13.9%)	0 (0%)	33(13.9%)
6 – 10 years	49 (20.7%)	1 (0.4%)	50(21.1%)
10 – 20 years	58 (24.5%)	13(5.5%)	71(30.0%)
>20 years	55 (23.2%)	11 (4.6%)	66(27.8%)
TOTAL	212 (89.5%)	25 (10.5%)	237(100%)
<i>X²=16.92; DF = 4; p = 0.000; Gamma=0.515</i>			

The above result is similar to the findings of Ayyagari et al. (2011). In their study, firms <=2years contributed only 6.75% (mean) to employment in their overall sample; while matured firms, aged 10 years and above contributed 48.12% of the total employment in low-income countries and 72.76% in high-income countries respectively.

4.3.3.2 Founding Structure of the Business

Some of the sampled businesses were founded before they were acquired by the families presently managing them. The respondents were asked whether the companies were new start-ups or acquired by the present families. 98.7% (234 out of the final sample of 237 respondents) responded that the businesses were founded by them while the remaining (1.3%) said the businesses were acquired from previous owners (see table 4.2).

For the acquired businesses, respondents stated exactly when the businesses were bought over by the families but did not specify when they were founded. According to the three respondents managing the acquired businesses, those businesses were dead (dormant) when they took them over.

Table 4.2 above also shows the distribution of the founders of the sampled family businesses. The results are as follows: majority (42.2%) were founded by the respondents themselves, (this is similar to the findings of Zainol and Ayadurai (2011) who reported that 79.6% of their respondents were founders/owners of their sampled firms). The results further showed that

18.6% of the firms were founded by respondent's parents; 16.5% by respondents and spouses; 8.4% by respondents and siblings; 5.5% by respondent's spouses; 1.7% by respondent's siblings; 0.8% by respondent's grandparents; 1.3% by previous owners; and the remaining 5.0% were founded by respondents and any one of the following categories: parents, relatives, or outside investors. Full details of the founders' distribution of this study sample can be found in appendix 26.

4.3.3.3 Legal Status of Firms

The legal status of the family businesses surveyed is illustrated in table 4.2 above. These shows the registered and unregistered businesses in the study sample. In Nigeria, businesses are expected to register with the Corporate Affairs Corporation of Nigeria (CAC), which is the legal body responsible for registering all businesses in the country.

The results indicate that 39.2% are sole proprietorship, a business registered as a single-owner business. This is a common type of business ownership all across the world as evidenced by different reports. Global Entrepreneurship Monitor's (GEM) report for Hong Kong and Shenzhen states that sole proprietorships are preferred in both countries (GEM: Hong Kong and Shenzhen, 2004). GEM: Pakistan Report, 2010 also states that the firm structure of businesses in Pakistan is dominated by sole proprietorships.

Although, the figure recorded for businesses registered as limited liability companies (43%) in the results presented in table 4.2 is slightly higher than that of sole proprietorship (39.2%); both figures are quite close. The analysis further shows that 3% of the sampled businesses are partnerships while the remaining 14.8% reports themselves as unregistered. Finding unregistered businesses is not unusual in a developing country such as Nigeria (Evbuomwan et al., 2012);

however, the implication of the informal status of businesses on performance is not clearly stated in studies carried out in this region.

4.3.4 The Dominant Generation Managing and Controlling the Sample Family Businesses

In determining the dominant generation responsible for managing and/or controlling the firm, the respondents were asked to indicate which generation was primarily responsible for which role. The results presented in tables 4.4 and 4.5 below show that the first, second and third generation family members are dominantly responsible for managing the business, while only the first and second generation family members are dominantly responsible for controlling the business. Table 4.4 also shows that 81.4% of the sample businesses are dominantly managed by 1st generation family members. Similarly, 87.3% of these firms are dominantly controlled by 1st generation family members. These two figures represent majority of the sample size. 2nd generation family members are represented in only 18.2% of the dominant management teams, while only 12.7% of the same category are dominantly responsible for controlling the businesses. There are no 3rd generation family members controlling the sample firms; however, 0.4% (1) of the sampled firms report the dominant presence of the 3rd generation in the management of the firm.

	MANAGING		CONTROL	
	N	%	N	%
1 st Generation	193	81.4%	207	87.3%
2 nd Generation	43	18.2%	30	12.7%
3 rd Generation	1	0.4%	0	0
TOTAL	237	100	237	100

The results of the further analysis carried out to examine the relationship between the generation managing and generation controlling the sample firms are illustrated in table 4.5 below.

TABLE 4.5: Contingency Table showing the Relationship between Dominant Generation Controlling and Managing the Sampled Firms

MANAGING	CONTROL		GRAND TOTAL N
	1 st Generation N (%)	2 nd Generation N (%)	
1 st Generation	193 (93.2%)	0 (0.0%)	193
2 nd Generation	14 (6.8%)	29 (96.7%)	43
3 rd Generation	0	1 (3.3%)	1
TOTAL	207 (100%)	30 (100%)	237
<i>$X^2=151.60$; $DF = 2$; $p<0.0001$; $Cramer's V = 0.80$; $Phi = 0.80$</i>			

The findings illustrated at the bottom of table 4.5 shows that the X^2 value of 151.60 had an association probability value of <0.0001 and DF value of 2. This finding indicates that the association between the dominant generation controlling and the one managing the family businesses is extremely unlikely to have arisen as a result of sampling error. Cramer's V was found to be 0.80, which indicates that slightly over 64% of the variation in the frequencies of the generation controlling is explained by the generation managing the family businesses. These findings therefore suggest that there is a significant association between the generation controlling and the one managing the family businesses in this study sample.

An in-depth analysis of the results in table 4.5 shows the following: out of the 207 firms that indicated 1st generation dominant control of their family businesses, 93.2% of these firms were managed dominantly by 1st generation family members; while the remaining 6.8% were managed by 2nd generation family members. Similarly, 96.7% of the 30 firms that indicated the dominant 2nd generation family control were being managed by 2nd generation family members; and only one firm in that category was being managed by the dominant 3rd generation family members. There is however no overlap between 1st generation family members dominantly controlling the family businesses and 3rd generation family members managing same.

4.3.5 Sources of Finance for the Sampled Firms

The ability of family businesses to access finances both internally and externally is critical for funding start-ups; business operations; develop new products; and gaps in cash flow requirements (Lee and Persson, 2012; Aldrich and Cliff, 2003). Furthermore, collecting information on the sources of finance for small businesses is important in determining these businesses' efficiency levels and also hindrances to their growth (GEM, 2009). Generally, obtaining information on the sources of finance in this study is to provide information on the financing options mostly employed in the overall sample. It is also to bridge the gap in information on the funding patterns of formal small family businesses in Africa (Khavul et al., 2009).

In this section of the questionnaire, respondents were asked to indicate their major sources of finance at start-up and currently. Consistent with the literature, table 4.6 below demonstrates a clear pattern of small and medium size businesses, using personal savings and family funds to finance their businesses' start-up and on-going operations (Lee and Persson, 2012; Evbuomwan et al., 2012; Pistrui et al., 1997). The results of the analyses are as follows: personal savings recorded the highest source of funding at both start-up (38.8%) and as current capital (38%). This was followed significantly by the combination of personal savings and family funds at both start-up (27.8%) and current (24.9%). Next, funds from family were also significant at both start-up stage (14.3%) and as current capital (12.7%). The final significant source of finance at start-up (9.7%) and current (11.0%) was the combination of personal funds and loans from financial institutions (bank).

However, it is important to mention, that two (0.8%) of the 237 overall sample firms, have their current source of capital as 100% financial institutions (banks). One was fully funded (100%)

from personal savings at start-up; while the other firm was 90% funded by personal savings and 10% funded by financial institution at start-up.

TABLE 4.6: Sources of Finance (Distribution)

SOURCE	START-UP CAPITAL		CURRENT CAPITAL	
	N	%	N	%
Personal Savings only	92	38.8%	90	38.0%
Personal Savings and Family	66	27.9%	59	24.9%
Family only	34	14.3%	30	12.7%
Personal Savings and FI ^a (Banks)	23	9.7%	26	11.0%
FI ^a (Banks) only	0	0	2	0.8%
Friends only	1	0.4%	1	0.4%
Others ^b	21	8.9%	29	12.2%
TOTAL	237	100%	237	100%

^aFI here represents Financial Institutions

^bOthers here include different other combinations indicated by respondents: Private Money Lenders only; Personal Savings and Friends; Personal Savings and FI; Personal Savings and Private Money Lenders; Family and FI; Friends and FI; Personal Savings, Friends and FI; Personal Savings, Family and Friends; Personal Savings, Family and FI; Personal Savings, FI and Business Proceeds; Personal Savings, Family and Business Proceeds; Personal Savings, Friends and Business Proceeds; Family, FI and Business Proceeds; Personal Savings, Family and Friends; and lastly, FI and Business Proceeds.

No firm however, reported 100% funding from financial institutions at start-up. Another company also progressively moved from being funded by personal savings (10%) and private money lenders (90%) at start-up to full funding (100%) from private money lenders for her business currently. The analyses in this section also report only one firm each that sourced for 100% start-up and current capitals from friends. (See appendix 25 for full details of the distribution of sources of capital employed by the study's overall sample).

The pattern followed by the above results supports the general practice of small start-ups funding their initial operational expenses from their personal savings and/or turning to family and friends for finance. This practice is quite common in developed countries and more so in developing countries (Evbuomwan et al., 2012; Lee and Persson, 2012; Basu, 1998; Haynes and Avery, 1997; Poutziouris et al., 1997; Ekpenyong and Nyong, 1992). Similarly, pecking order hypotheses also state that privately owned firms follow an hierarchical order in the finance of their operations by first using internal funds, followed by debt and subsequently, private equity

(Myers, 1984). The decision of most small businesses to exhaust all internal options before seeking external finance has also been attributed to the mind-set of the business owners towards non-family funding (Haynes and Avery, 1997). There are however, studies suggesting that family-owned businesses would fail to attract the needed capital at start-up due to the perceived negative factors associated with them (Upton and Petty, 1998).

4.4 Statistical Analysis of Respondents

Section 4.4 provides descriptive statistics pertaining to the specific details of all respondents that filled out the research instruments. Respondents here represent owners and/or managers of the family businesses surveyed.

4.4.1: Brief Profile of Respondents

Table 4.7 below gives a complete snapshot of all the respondents that participated in this doctoral research.

4.4.1.1 Gender

The study sample consists of 237 respondents of which 70% were male and 30% female (see table 4.7 below). This result shares similar statistics with the findings of some studies conducted in major cities in Nigeria (Lagos inclusive). Okpara (2011) reports 60% male and 40% female respondents; and Woldie et al. (2008) reports 74.8% male and 25.2% female respondents. The above trend indicates that the ratio of male and female participation in entrepreneurial activities as business founders, owners and/or managers is gradually increasing in West Africa. In the recent 2012 Global Entrepreneurship Monitor (GEM) report, their general findings show a greater involvement in entrepreneurship among men than women in most cases. Table 4.7 also illustrates the number of female and male owners and/or managers' distribution according to firm size.

The results show that majority of the sampled small and medium-sized businesses are owned by male respondents with percentages of 62.0% and 8.0% respectively. Female respondents own only 27.5% and 2.5% of the sampled small businesses and medium-sized businesses respectively.

4.4.1.2 Respondent Age

Table 4.7 below shows the age ranges of the 237 respondents. However, in the research instruments, 198 (83.5%) persons out of 237 respondents indicated their actual ages, while the remaining 39 (16.5%) chose to use the age-range box. Descriptive statistics pertaining to the actual ages reported are as follows: minimum age is 22 years; maximum age is 69 years; mean age is 42.9 years, which is within the most active age group in entrepreneurship reported in Sub-Saharan Africa (Evbuomwan et al., 2012; Okpara, 2011; Okpara and Wynn, 2007). The results illustrated in table 4.7 show the highest age group as respondents between 35 and 45 years (39.2%). The high participation of the 35 to 45 age group in small and medium-scale enterprises is well reported in Nigeria (Evbuomwan et al., 2012; Okpara, 2011; Woldie et al., 2008; Okpara and Wynn, 2007).

Table 4.7 further shows that the next highest age group in the study sample are the 45 and 55 year olds (30.8%) followed by those between the ages of 25 and 35 years (18.6%); next were the 55 and 65 years age group. Respondents aged below 25 years and those older than 5 years had the lowest representation in the study sample. There were only 6 counts each in these two groups, representing an insignificant 2.5% of the study sample.

4.4.1.3 Respondent's Academic and Professional Qualification

Education is an important tool that may influence productivity of employees in a family business. This is because education gives an individual the opportunity to acquire important

transferrable skills that would increase his or her efficiency at work. Education has also been linked to business success and failure in some research studies (Lussier and Halabi, 2010; Lussier, 1995).

Data were collected on the educational qualification of the respondents and the results reported in table 4.7 above are as follows: majority had a university or college degree (38%); out of which 23.2% were male respondents and the remaining 14.8% were female respondents. Also significant were the respondents that indicated that they had 2nd degrees (academic masters and MBAs). A total of 27.4% responded in the affirmative to this from which 17.7% were male respondents and 9.7% were female respondents. 10.1% of the study sample had obtained an ordinary diploma (OND) with a significant proportion of this group being male respondents 8.4% and 1.7%, female respondents.

Secondary school education is divided into senior and junior secondary in Nigeria. Students that complete their senior secondary education are awarded a Senior Secondary School Certificate (SSCE), an equivalent of General Certificate of Secondary Education (GCSE) in the United Kingdom. 8.4% of the study sample indicated that this was their highest qualification out of which 7.6% were male and 0.8% female respondents respectively. On the other hand, individuals that complete the 1st three years of secondary school are awarded with a Junior Secondary School Certificate (JSSCE). Respondents with JSSCE represent the lowest group in this study with only 1.7% indicating this. There were 1.3% male respondents and 0.4% female respondents in this category. 10 (4.2%) respondents stopped attending any formal education after their elementary or primary school education; male respondents make up 3% of this group and female respondents, 1.3%.

TABLE 4.7: A Brief Profile of Respondents

VARIABLE		N				%	
GENDER	Male	166				70%	
	Female	71				30%	
	TOTAL	237				100%	
RESPONDENT AGE	Respondents' Age Range	Male		Female		GRAND TOTAL	
		(N)	%	(N)	%		
	<25 years	4	1.7%	2	0.8%	6	2.5%
	25 – 35 years	35	14.8%	9	3.8%	44	18.6%
	>35 – 45 years	56	23.6%	37	15.6%	93	39.2%
	>45 – 55 years	54	22.8%	19	8.0%	73	30.8%
	>55 – 65 years	11	4.6%	4	1.7%	15	6.3%
	>65 years	6	2.5%	0	0.0%	6	2.5%
TOTAL	166	70.0%	71	30.0%	237	100%	
ETHNIC GROUP	Yoruba	49	20.7%	39	16.5%	88	37.1%
	Igbo	34	14.3%	3	1.3%	69	29.1%
	Hausa	51	21.5%	18	7.6%	37	15.6%
	Others	32	13.5%	11	4.6%	43	18.1%
	TOTAL	166	70.0%	71	30.0%	237	100%
ACADEMIC QUALIFICATION	Did not go to school	21	8.9%	3	1.3%	24	10.1%
	First School Leaving Certificate	7	3.0%	3	1.3%	10	4.2%
	Junior Secondary School Certificate	3	1.3%	1	0.4%	4	1.7%
	Senior Secondary School Certificate	18	7.6%	2	0.8%	20	8.4%
	Ordinary Diploma or Technical Training	20	8.4%	4	1.7%	24	10.1%
	University Degree or HND	55	23.2%	35	14.8%	90	38.0%
	Master's Degree or MBA	42	17.7%	23	9.7%	65	27.4%
	TOTAL	166	70.0%	71	30.0%	237	100%
PROFESSIONAL QUALIFICATION	Yes	56	23.6%	34	14.4%	90	38.0%
	No	110	46.4%	37	15.6%	147	62.0%
	LLB	3	3.3%	9	10.0%	12	13.3%
	Medical (MBBS)	4	4.4%	0	0.0%	4	4.4%
	Accounting (ICAN, ACCA)	6	6.8%	2	2.2%	8	8.9%
	Financial (CIBN, CMA)	3	3.4%	2	2.2%	5	5.6%
	Pharmacy	4	4.4%	1	1.2%	5	5.6%
	Animal Science	3	3.3%	0	0.0%	3	3.3%
	Sales/Marketing	4	4.4%	2	2.2%	6	6.7%
	MBA	2	2.2%	2	2.2%	4	4.4%
	Miscellaneous	27	30.0%	16	17.8%	43	47.8%
	TOTAL	56	62.2%	34	37.8%	90	100%
	WORK EXPERIENCE	Yes	141	59.5%	55	23.2%	196
No		25	10.5%	16	6.8%	41	17.3%
0 (None)		25	10.5%	16	6.8%	41	17.3%
<=2 years (Little Experience)		9	3.8%	12	5.1%	21	8.9%
3 – 9 years (Some Experience)		74	31.2%	29	12.2%	103	43.4%
10 - 19 years (Very Experienced)		49	20.7%	13	5.5%	62	26.2%
>=20 years (Very, Very Experienced)		9	3.8%	1	0.4%	10	4.2%
TOTAL		166	70.0%	71	30.0%	237	100%
POSITION WITHIN THE BUSINESS		Owner	58	24.5%	21	8.9%	79
	Manager	33	13.9%	12	5.1%	45	19.0%
	Owner and Manager	75	31.6%	38	16.0%	113	47.7%
	TOTAL	166	70.0%	71	30.0%	237	100%
NUMBER OF EMPLOYEES	Small Family Firms (10-49 Employees)	147	62.0%	65	27.5%	212	89.5%
	Medium Family Firms (50-199 Employees)	19	8.0%	6	2.5%	25	10.5%
	TOTAL	166	70.0%	71	30.0%	237	100%

Only 10.1% of the entire study sample is without any academic qualification, out of which the majority (8.9%) were male respondents and 1.3%, female respondents.

Respondents were further asked if they had any professional qualification aside their normal academic qualification that might be remotely related to their current position and/or job role within the family business. 90 (38%) respondents reported in the affirmative while the majority of 147 (62%) respondents replied in the negative to that question. The findings also present that both male (23.6%) and female (14.4%) respondents were significantly represented among the respondents that indicated 'yes' to the professional qualification.

4.4.1.4 Previous Work Experience Of Respondents

In this study, years of previous experience is defined as the number of years that an individual spends performing a relevant task in another organisation before starting or joining the family business. Here, years of previous work experience was measured as a dichotomous variable where respondents were asked if they had obtained any previous work experience or not before joining the family business. Most respondents 196 (82.7%) responded 'yes' to the question while the remaining 41 (17.3%) respondents said 'no'. Out of these figures, 59.5% were male and 23.2%, female respondents.

In addition to the above, respondents were also asked to indicate the total numbers of previous experience they had before joining the family business. These were then grouped into the following categories: 0 (none); less than or equal to 2 years (little experience); 3-9 years (some Experience); 10-19 years (very experienced); and greater than or equal to 20 years (very, very experienced).

Based on the categories, the findings as illustrated in table 4.7 above show that majority of the respondents had some significant experience. In other words, 43.4% had between 3 to 9 years of previous work experience before joining the family businesses (male respondents accounting for the higher percentage of 31.2% and female respondents, 12.2%). Following this is the very experienced group, respondents in this category make up 26.5 of the study sample (20.7% male and 5.5% female). The male respondents had equal representation (3.8% each) in these two categories: 'very little experience' and 'very, very experienced', whereas the female respondents were more represented in the group with 'very little experience' (5.0%); with figures even higher than their male counterparts. Also noteworthy is the finding that, only one female respondent had over 20 years of previous work experience before starting and/or joining the family business.

Some researchers have suggested that female owners and/or managers of SMEs in Nigeria mostly start the business as a lifestyle venture or join in an existing business mostly to provide supportive roles for their spouses (Taiwo et al., 2012). These previous findings may partly explain the significant presence of women in the 'very little experience group' illustrated in table 4.7 above.

4.4.1.5 Respondent's Position Within the Business

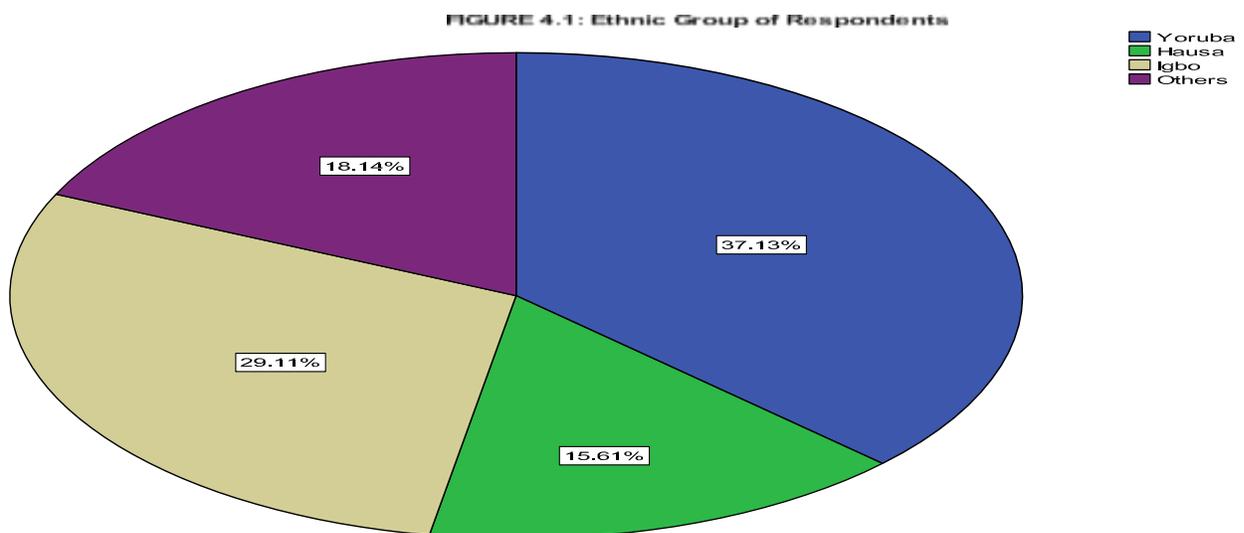
Table 4.7 above reports the position of the respondents within the study sample. This is to determine how the two distinct roles of owners and managers are represented in the study sample. The analysis shows that 33.3% of respondents are owners only (24.5% male and 8.9% female respondents) and are not involved in the day-to-day management of the businesses; 19% (13.9% male and 5.1% female respondents) are managers only, managing the day-to-day activities of the businesses but are not direct owners of the businesses. However, majority of the respondents, 47.7% indicated that they were both owners and managers of these family

businesses. 31.6% of the owner-manager category were male respondents while 16.0% were female respondents. The proportion of male and female respondents in the three categories illustrated above followed the same pattern; both gender were mostly present in the owner-manager group, followed by owner only group and lastly, in the manager only group.

4.4.1.6 Ethnicity

Nigeria is a country with high cultural values which is deeply rooted in her three major ethnic groups (Yoruba, Ibo and Hausa) and the ethnic minority group. This research contributes to studies providing the myopic views of family involvement in family businesses in highly cultural emerging countries, if the issue of ethnicity is not considered. Ethnicity might provide more clarity on the core cultural values of the families behind family firms. The effect of which on performance may not be possible to ignore. Thus, ethnicity would be considered as an important factor in grouping the 237 respondents researched in this thesis.

The findings on the diverse ethnicity groups in Nigeria are presented in table 4.7 above and graphically represented in figure 4.1 below.



Further analysis as reported in table 4.7 shows the classification of the four ethnic groups by gender in descending order. Female respondents are presented as follows: Yoruba, Igbo, Minority Ethnic groups and lastly Hausa, whereas, the male respondents are presented as follows: Igbo, Yoruba, Hausa and Minority Ethnic group.

Tables 4.8 and 4.9 below show the distribution of the four ethnic groups by legal status of sampled businesses and academic qualifications of the respondents respectively. Table 4.8 shows the legal status of businesses owned by the respondents in the four ethnic groups. The interesting findings here are that majority of the unregistered sampled businesses were owned by the Hausa ethnic group. This may be because Hausa migrants in Lagos are mostly involved with selling farm produce. This is a cash-based business and probably does not require significant paper documentation.

However, previous write-ups on Northern Nigeria have reported the presence of large scale companies and multinationals like Isyaku Rabi Group, Dangote Group; Dantata Group whose contributions to the Nigerian economy are rated significant. These companies are owned and managed by highly educated and well known northerners in Nigeria (Ogechukwu, 2011).

TABLE 4.8: Distribution of Family Businesses by Ethnic Groups and Legal Status

LEGAL STATUS	ETHNIC GROUPS								TOTAL	
	Yoruba		Hausa		Igbo		Others			
	N	%	N	%	N	%	N	%	N	%
Sole Proprietorship	35	14.8%	8	3.4%	28	11.8%	22	9.3%	93	39.2%
Partnership	3	1.3%	0	0.0%	2	0.8%	2	0.8%	7	3.0%
Limited Liability	44	18.6%	6	2.5%	38	16.0%	14	5.9%	102	43.0%
Un-registered	6	2.5%	23	9.7%	1	0.4%	5	2.1%	35	14.8%
TOTAL	88	37.2%	37	15.6%	69	29.1%	43	18.1%	237	100%

$X^2 = 85.311$; $DF = 9$; $P = 0.0001$; Cramer's $V = 0.346$; $\Phi = 0.600$

Table 4.9 illustrates the educational qualification of respondents in the different ethnic groups. The highest number (23) of respondents that indicated that they did not go to school come from family business owners from the north (the Hausas).

There was no respondent without any academic qualification among the Igbo and minority ethnic groups, except only one Yoruba respondent. Nevertheless, Yoruba had the highest representations of respondents with bachelor's (48 respondents) and master's degrees (28 respondents).

TABLE 4.9: Distribution of Family Businesses by Ethnic Groups and Highest Academic Qualification of Respondents

HIGHEST ACADEMIC QUALIFICATION	ETHNIC GROUPS								TOTAL	
	Yoruba		Hausa		Igbo		Others		N	%
	N	%	N	%	N	%	N	%		
Did not go to School	1	0.4%	23	9.7%	0	0.0%	0	0.0%	24	10.1%
First School Leaving Certificate	3	1.3%	5	2.1%	2	0.8%	0	0.0%	10	4.2%
Junior Secondary School Certificate	0	0.0%	1	0.4%	2	0.8%	1	0.4%	4	1.7%
Senior Secondary School Certificate	0	0.0%	2	0.8%	13	5.5%	5	2.1%	20	8.4%
OND* or Technical Training	8	3.4%	4	1.7%	5	2.1%	7	3.0%	24	10.1%
University Degree or HND	48	20.3%	2	0.8%	27	11.4%	13	5.5%	90	38.0%
Masters Degree or MBA	28	11.8%	0	0.0%	20	8.4%	17	7.2%	65	27.4%
TOTAL	88	37.2%	37	15.6%	69	29.1%	43	18.1%	237	100%

$X^2 = 179.53$; $DF=18$; $P=0.0001$; $Cramer's V = 0.502$; $Phi = 0.870$

*OND stands for Ordinary National Diploma

This is closely followed by the Igbo respondents presenting significant figures of 27 respondents with bachelor's degree and 20 respondents with masters' degree. The low level of education among families from the north who are managing small scale businesses in this study sample could be explained by the findings of some previous studies that investigated the relationship between ethnicity and education in historical Nigeria.

Aguolu (1979) summarises the findings of the following researchers, Cliget (1967); Abernethy (1969) and Coleman (1958) as follows: "the differences in the educational level of various ethnic groups in West Africa are significantly correlated with the degree of the ethnic response or ethnic exposure to colonial rule and Western education introduced by the early missionaries.

Cliget (1967); Abernethy (1969); and Coleman (1958) in their individual researches have shown that the levels of educational attainment found in the coastal areas of West African countries, which has the largest duration of missionary activities and colonial rule, are much higher than those of the northern areas of these countries” (Aguolu, 1979:515-516).

According to the map of Nigeria, the following states are along the coastal line of Nigeria, Lagos, Ogun, Ondo (these three states belong to the Yoruba Ethnic Group); while the rest, Rivers, Akwa Ibom and Cross Rivers belong to the minority ethnic group (Oteri and Atolagbe, 2003). The Igbos, according to Aguolu (1979) were also influenced to engage in rigorous formal education, partly by the early missionaries to Nigeria and mostly by their early nationalist leaders. Based on the above explanations, the north especially, might be at a disadvantaged position with regards to exposure and propensity towards formal education. Therefore, the findings illustrated in table 4.8 above might not be completely without backing. Table 4.10 below shows the distribution of family businesses by ethnic groups and firm size.

TABLE 4.10: Distribution of Family Businesses by Ethnic Groups and Firm Size

FIRM SIZE (by number of employees)	ETHNIC GROUPS								TOTAL	
	Yoruba		Hausa		Igbo		Others			
	N	%	N	%	N	%	N	%	N	%
Small Business (10-49 employees)	78	32.9%	37	15.6%	58	24.5%	39	16.5%	212	89.5%
Medium-sized Business (50-199 employees)	10	4.2%	0	0.0%	11	4.6%	4	1.7%	25	10.5%
TOTAL	88	37.2%	37	15.6%	69	29.1%	43	18.1%	237	100%

$X^2 = 6.62$; $DF=3$; $P=0.085$; Cramer's V = 0.167; Phi = 0.167

Table 4.10 above also shows that majority (4.6%) of the medium-sized family businesses are owned by the Igbo ethnic group despite being smaller in number than the Yoruba ethnic group. Brautigam's, (1997) elaborate article on Eastern Nigeria (origin of the Igbos), portrayed them as the people that have successfully filled the industrial gap in the Nigerian market. The

enterprising nature of this ethnic group (Brautigam, 1997) could be responsible for this marginal higher figure than the Yoruba ethnic group. There is however no significant association between ethnicity and firm size in this study sample based on the X^2 value of 6.62; association probability value of =0.085 (which is greater than 0.05); DF = 3. The Cramer's V was also found to be 0.17, which also indicates a very weak relationship between the two variables.

4.5 Control Variables

Similar to most studies investigating the performance of family businesses, gender and firm age, were controlled. In addition to these variables, the following were also controlled in this study, respondent's age (owner/manager); ethnicity; and all the five components of family involvement (ownership, management, governance, succession and employee).

4.6 Descriptive Statistics of Measurement Scales

This gives a brief description of the five measurement scales used in this thesis. It has subsections in which family culture; Entrepreneurial Orientation (EO); Small Business Orientation; environmental factors; and lastly, the indices of performance are discussed.

4.6.1 Family Culture

Family culture is argued as one of the most important defining elements of family influence on a business. In actual terms, family culture is considered to be an essential factor that determines organisational behaviour; and the alignment of family goals to the organisation's goals (Holt et al., 2010; Lumpkin et al., 2008; Rutherford et al., 2008; Bertrand and Schoar, 2006; Zahra et al., 2004; Klein et al., 2005; Astrachan et al., 2002). Nevertheless, the question is, how well does the influence of family culture affect the performance of family businesses. This is one of the questions that this thesis is set to address. The well-defined and tested culture sub-scale of the F-

PEC scale developed by Astrachan, Klein and Smyrnois (2002) and further validated, first by Klein, Astrachan and Smyrnois (2005) and second by Holt, Rutherford and Kuratko (2010) is used to measure family culture in this thesis.

However, the initial 5-point Likert scale used by Astrachan et al. (2002) is replaced with a 7-point Likert-scale for ease of measurement and consistency with other units of measurement employed in this research. Furthermore, a few early researchers have suggested that the 7-point Likert scale might be more reliable than the 5-point Likert scale (Coleman et al., 1997). In addition, the 7-point has enjoyed wide usage in the family business literature (Zellweger et al., 2012; Stewart and Hitt, 2012; Hienerth and Kessler, 2006; Fletcher, 2002). The anchors on the 7-point likert scale used were: 1 for strongly disagree; and 7 for strongly agree. The remaining numbers between '1 and 7', though not indicated on the questionnaires were explained as follows: '2 and 3' means disagree; 4 stands for neutral; 5 and 6 for agree. Table 4.11 shows the culture scale and the relevant descriptive statistics. The statistics presented below shows that none of the 13 culture items has a mean value below 5.5. This suggests that family culture is an important measure of family involvement in a family business.

The two most important items with the highest mean value of 6.5 are: 'you and your family feel loyalty towards the business; and 'you and your family members are proud to tell others that you are part of the family business.' These two items suggest strong loyalty towards the business as explained by Lumpkin et.al. (2008). The next two items which rank second highest on the list of importance are: 'putting in a great of effort to ensure the success of the family business'; and 'understanding and supporting the family's decision regarding the future of the family business. These two items are described by Lumpkin et al. (2008) as part of a strong family tradition and loyalty in their family orientation scale. For the family culture construct and all other measures in

this study that included multiple items, the item scores were averaged before used in regression analysis. The least mean value of 5.5, which is still very much within the ‘agree range’ was scored by the statement ‘you and your family really care about the fate of your business’.

TABLE 4.11: Descriptive Statistics - Family Culture Measurement Scale

Family Culture	N=237	Mean	Rank (In descending order)	Min	Max	SD
Your family has influence on this business		6.3	3	4	7	1.03
Your family members share similar values		5.9	7	3	7	1.10
Your family and business share similar values		5.8	8	3	7	1.15
Your family members are willing to put in a great deal of effort beyond that is normally expected in other to help the family business to be successful		6.4	2	4	7	0.87
You and your family support the family business in discussions with friends, employees and other family members.		6.2	4	4	7	0.93
You and your family feel loyalty towards the business		6.5	1	4	7	0.78
You and your family find that your values are compatible with those of the business		6.0	6	3	7	0.99
You and your family members are proud to tell others that you are part of the family business		6.5	1	4	7	0.81
There is so much to be gained by participating with the family business on a long term basis		6.2	4	4	7	0.94
You and your family members agree with the family business’ goals, plans and policies		6.1	5	4	7	0.97
You and your family members really care about the fate of the family Business		6.5	9	3	7	0.76
Deciding to be involved with the family business has a positive influence on your life		6.3	3	3	7	0.90
You understand and support your family’s decisions regarding the future of the family business		6.4	2	4	7	0.81

4.6.2 Entrepreneurial Orientation (EO)

Entrepreneurship orientation (EO) is a measure developed to assess the extent to which an organisation is entrepreneurial. As discussed in chapter 3, EO cannot be measured directly since it is an abstract phenomenon, therefore after an extensive search of literature, the most recent work on the EO construct by Lumpkin, Cogliser and Schneider (2009) was adopted. Eighteen items were identified as representatives of entrepreneurial behaviour in an organisation. Table

4.12 below shows the descriptive statistics in terms of mean, median, ranking, and standard deviation for each measured EO item. The detailed questions asked under each item are shown in ‘appendix 5’ in the research instrument. The mean ranges from 2.35 to 5.89 on a likert scale of 1 to 7. With the exception of a few items, majority of the average responses to the EO items tend to be below average.

TABLE 4.12: Descriptive Statistics – EO Measurement Scale

ITEMS	N = 237	MEAN	RANK (in descending order)	MIN	MAX	SD
AUTONOMY 1		3.57	11	1	7	1.935
AUTONOMY 2		3.10	13	1	7	1.920
AUTONOMY 3		2.73	15	1	7	1.547
AUTONOMY 4		5.89	1	1	7	1.466
INNOVATIVENESS 1 (Reverse-coded)		3.43	12	1	7	1.790
INNOVATIVENESS 2 (Reverse-coded)		5.01	2	1	7	1.784
INNOVATIVENESS 3 (Reverse-coded)		4.04	8	1	7	1.779
INNOVATIVENESS 4		4.71	3	1	7	1.668
INNOVATIVENESS 5		4.71	3	1	7	1.582
PROACTIVENESS 1 (Reverse-coded)		4.26	7	1	7	1.644
PROACTIVENESS 2 (Reverse-coded)		4.38	5	1	7	1.529
PROACTIVENESS 3 (Reverse-coded)		3.76	10	1	7	1.685
PROACTIVENESS 4 (Reverse-coded)		4.30	6	1	7	1.624
RISK TAKING 1 (Reverse-coded)		3.94	9	1	7	1.669
RISK TAKING 2 (Reverse-coded)		2.71	16	1	7	1.595
RISK TAKING 3 (Reverse-coded)		2.93	14	1	7	1.681
RISK TAKING 4 (Reverse-coded)		2.35	17	1	7	1.402
COMPETITIVE AGGRESSIVENESS 1		4.59	4	1	7	1.689

Specifically, the respondents’ perceived understanding and responses to the following items are below 4: RISK4; RISK2; AUTO3; RISK3; AUTO2; INNOV1; AUTO1; PROAC3; RISK1. The standard deviation for each item ranges from 1.402 to 1.935.

4.6.3 Small Business Orientation (SBO)

As discussed previously in Chapters 2 and 3, SBO is a fairly new construct which requires further application, especially in emerging economies that mostly depend on small businesses. The authors, Runyan, Droge and Swinney (2008) originally developed nine items and all these items are adapted to the research instrument employed for this study (see appendix 5). The

descriptive statistics for the SBO construct is shown in table 4.13 below. The detailed questions asked under each item are shown in the appendix 5. With the exception to one item (PURP 2), most of the responses given to the items are well above average on a scale of 1 to 7. The average responses to almost all the SBO items indicates a more agreeable perceived agreement to the questions asked in the SBO scale by owners and/or managers of small family businesses in Nigeria. The mean as shown in table 4.13 below, ranges from 1.48 to 6.57; while the standard deviation ranges from 0.808 to 1.995.

TABLE 4.13: Descriptive Statistics – SBO Measurement Scale

ITEMS	N = 237	MEAN	RANK (in descending order)	MIN	MAX	SD
PURPOSE 1		6.02	4	1	7	1.553
PURPOSE 2 (Reverse Coded)		1.48	9	1	4	0.876
PURPOSE 3		4.48	8	1	7	1.995
PURPOSE 4		5.73	5	1	7	1.781
PURPOSE 5		6.18	3	2	7	1.040
EMOTIONAL ATTACHMENT 1		5.64	6	1	7	1.527
EMOTIONAL ATTACHMENT 2		5.40	7	1	7	1.612
EMOTIONAL ATTACHMENT 3		6.57	1	2	7	0.808
EMOTIONAL ATTACHMENT 4		6.38	2	1	7	1.081

4.6.4 Environmental Factors

As previously discussed in Chapters 2 and 3, environmental factors are considered critical to the strategic management of organisations. Therefore, after an extensive study of literature, this research considers using two environmental constructs that are consistent with earlier researches, dynamism and environmental hostility. Dynamism has 5 items while hostility has 3 items.

TABLE 4.14: Descriptive Statistics - Environment Dynamism Measurement Scale

ITEMS	N =237	MEAN	RANK (in descending order)	MIN	MAX	SD
DYNAMISM 1		5.85	1	1	7	1.496
DYNAMISM 2		3.27	5	1	7	1.903
DYNAMISM 3		3.35	4	1	7	1.763
DYNAMISM 4		3.22	6	1	7	1.773
DYNAMISM 5		3.19	7	1	7	1.856
HOSTILITY 1		2.97	8	1	7	1.812
HOSTILITY 2		3.62	3	1	7	1.893
HOSTILITY 3		4.60	2	1	7	1.784

The descriptive statistics of both variables (dynamism and hostility) are therefore presented in table 4.14 above. The average responses to each item in the dynamic scale are below average with only one exception, DYNAMISM 1. The three hostility items have mean values ranging from 2.97 to 4.60 and standard deviation ranging from 1.784 to 1.893.

4.6.5 Firm Performance (FP)

Firm performance measurement in this thesis, as discussed in previous chapters, are perceived measures as widely used when researching on small businesses with no form of financial records except their sale-books. Firm performance is measured based on two main indicators covering the following areas: profitability, employee size, sales revenue and market share. The two indicators of firm performance in this study are comparison with the firm's previous performance (past 3 years) and comparison with the firm's main competitors.

TABLE 4.15: Descriptive Statistics- Firm Performance Measurement Scale

ITEMS N = 237	MEAN	RANK (in descending order)	MIN	MAX	SD
PROFITABILITY	4.82	1	2	7	1.204
EMPLOYEE SIZE	4.46	3	1	7	1.360
SALES REVENUE	4.70	2	2	7	1.100
MARKET SHARE	4.43	4	1	7	1.258

Table 4.15 above shows the descriptive statistics of the four items used to measure FP in this thesis (averaged for the two indicators). The mean values of respondents' answers are mostly above neutral, suggesting positive responses to profitability, sales revenue, change in employee size and market share respectively. The detailed questions are shown in appendix 5.

4.7 Other Relevant Data

This section briefly discusses some relevant variables measured in this research based on an extensive study of literature that are related to family involvement in a business. They are ownership, management, governance (control and decision making), succession and family

culture. However, all these variables are not the central focus of this thesis, the data provided is for proper understanding of the types of businesses surveyed.

Table 4.16 below shows the data on these variables. The results shown in table 4.16 indicate an overarching family presence in four of the five variables measured. Specifically, all the 237 businesses had majority family ownership; management and control. Furthermore, 232 out of the 237 businesses surveyed indicated their intention to pass the businesses over to close family members.

TABLE 4.16: Descriptive Statistics – Family Involvement Components

ITEMS	N = 237	N (Actual)	MEAN	STANDARD DEV.	MINIMUM	MAXIMUM
OWNERSHIP		237	97.9	8.8	20	100
CLOSE FAMILY						
EXTENDED FAMILY		9	1.1	7.0	5	80
NON-FAMILY		8	1.0	5.5	20	49
MANAGEMENT						
CLOSE FAMILY		237	2.6	1.3	1	10
EXTENDED FAMILY		61	0.4	1.4	0	6
NON-FAMILY		98	13	2.6	0	15
GOVERNANCE						
CONTROL						
CLOSE FAMILY		237	2.4	1.2	1	10
EXTENDED FAMILY		28	0.2	0.6	0	4
NON-FAMILY		61	0.6	1.2	0	6
DECISION MAKING						
CLOSE FAMILY		237	2.1	0.9	1	6
EXTENDED FAMILY		18	0.1	0.6	0	5
NON-FAMILY		42	0.4	1.0	0	7
SUCCESSION						
CLOSE FAMILY		232	-	-	-	-
EXTENDED FAMILY		3	-	-	-	-
NON-FAMILY		2	-	-	-	-
FAMILY EMPLOYEE						
CLOSE FAMILY		790	3.33	1.688	1	14
EXTENDED FAMILY		474	2.00	3.562	0	27
NON-FAMILY		4598	19.40	26.757	0	152

These four components, namely ownership, management, governance and succession when dominantly tilted towards the family representing the presence of a family in a business (Chua et al., 1999). The inclusion of a family employee as part of the key components of family involvement is still an under-researched area in this field and the results presented in table 4.16 shows that it is an important aspect that the field of family business needs to pay attention to. All the businesses have at least one close family member as part of their employee. Table 4.16 also confirms the focus of this business to investigate family businesses that have dominant family presence in these five key areas. These five variables would be controlled during regression analysis.

4.8 Test of Reliability, Validity and Correlations

Reliability and validity are the two primary criteria upon which a proposed theory can be evaluated. In this thesis, these two tests are presented under four headings: unidimensionality; reliability; convergent validity and discriminant validity. However, before proceeding into factorisation and testing the internal consistency of all the constructs, common method factors were checked for all main constructs.

4.8.1 Common Method Bias

Common method bias may exist in cross sectional surveys such as this one. This occurs when a single common factor accounts for the majority of variance in the variables used for a study. Factor analysis is usually carried out to reduce the possible occurrence of this problem (Podsakoff et al., 2003). The steps taken in this thesis to guard against common method bias involved entering all the main constructs (independent, dependent and moderating variables) into a factor analysis. The results showed sixteen factors with eigenvalues > 1 emerging; and these

factors explain 67.30% of the variance. The first factor explained 14.69%; second factor, 9.01%; while the remaining fourteen factors explain 43.6%. This finding show that no common method factor was present and also that no single factor accounted for the majority of variance explained in the dataset. Consequently, common method bias does not appear to be a problem in this current study. Detailed results are shown in appendix 9.

4.8.2 Unidimensionality

Assessing the unidimensionality of a construct assumes the existence of one underlying construct among a set of items, indicators or variables (Anderson and Gerbing, 1988). Specifically, it shows the relationship between a construct and its observed variables, suggesting that each observed variable is defined by only one construct. In this thesis, unidimensionality of each construct was tested by analysing the Cronbach's alpha; item-total correlations and exploratory factor analysis (EFA). Table 4.17 below shows the results of these analyses.

TABLE 4.17: Descriptive Statistics, Cronbach Alpha and Exploratory Factor Analysis Results

ITEMS	CUL1		CUL2			CUL3							SBO- PURPOSE AND EMOTIONAL ATTACH					DYNAMISM							
	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	P1	P4	E1	E3	E4	D2	D3	D4	D5				
DESCRIPTIVE																									
Mean	5.89	6.39	6.39	6.17	6.46	6.03	6.46	6.24	6.14	6.51	6.25	6.35	6.02	5.73	5.64	6.57	6.38	3.27	3.35	3.22	3.19				
SD ¹	1.095	.865	.865	.930	.783	.987	.810	.943	.965	.757	.898	.814	1.553	1.781	1.527	.808	1.081	1.903	1.763	1.773	1.856				
RELIABILITY																									
Item-total	.646	.646	.609	.471	.553	.569	.666	.682	.690	.638	.667	.687	.409	.451	.486	.508	.591	.535	.507	.424	.481				
Cronbach's alpha ' α '	0.785		0.720			0.874												0.701							
' α ' at Construct level						0.884												0.702				0.701			
EFA/PCA²																									
Factor Loading	.869	.859	.775	.789	.629	.504	.651	.827	.759	.679	.721	.676	.614	.632	.690	.746	.815	.770	.745	.666	.722				
Eigenvalues	1.041		1.307			5.505							2.474					2.113							
Total Variance Explained (%)	8.678		10.892			45.876							49.470					52.814							
Cumulative (%)	65.446												49.470					52.814							
KMO ³	.891												.754					.728							

TABLE 4.17: CONTINUED

ITEMS	EO-AUTO		EO-INNOV		EO-PROACTIVENESS				EO-RISK			FIRM PERFORMANCE				
	A1	A2	I4	I5	P1	P2	P3	P4	R2	R3	R4	PROFITABILITY	EMPLOYEE	SALES REVENUE	MARKET SHARE	
DESCRIPTIVE																
Mean	3.57	3.10	4.71	4.71	4.26	4.38	3.76	4.30	2.71	2.93	2.35	4.82	4.46	4.70	4.43	
SD	1.935	1.920	1.668	1.582	1.644	1.529	1.685	1.624	1.595	1.681	1.402	1.204	1.360	1.100	1.258	
RELIABILITY																
Item-total	.568	.568	.522	.522	.524	.508	.512	.498	.653	.649	.520	.686	.650	.834	.771	
Cronbach's alpha ' α '	0.725		0.685		0.722				0.769			0.873				
' α ' at Construct level					0.722							0.873				
EFA/PCA²																
Factor Loading	.864	.860	.880	.825	.783	.715	.713	.677	.823	.807	.785	.827	.793	.920	.884	
Eigenvalues	1.702		0.925		2.992				1.867			2.940				
Total Variance Explained (%)	15.476		8.412		27.198				16.968			73.498				
Cumulative (%)	68.054															
KMO ³	.694											0.794				

¹SD = STANDARD DEVIATION; ²EFA/PCA = EXPLORATORY FACTOR ANALYSIS/PRINCIPAL COMPONENT ANALYSIS; ³KMO = KAISER-MEYER-OLKIN MEASURE OF SAMPLING ADEQUACY

4.8.2.1 Cronbach's Alpha and Inter-Item Correlations

The Cronbach's alpha (α) is used to measure the internal consistency and reliability of constructs (Cronbach 1987). Alpha (α) is expressed as a number between 0 and 1. Internal consistency describes the extent to which all the items in a scale measure the same construct and thus it is connected to the inter-relatedness of the items within the test (Tavakol and Dennick, 2011). In simple terms, alpha (α) will increase when correlations between items increase and the closer it is to 1, the more reliable the construct is.

Cronbach's alpha is the most popular measure of reliability (Carmines and Zeller, 1979). It is used to calculate the reliability of different measurement scales. Hence, Cronbach's alpha is an important indicator of unidimensionality in this thesis. The generally preferred figure for Cronbach's alpha is 0.70 or higher (Nunnally, 1978). However, it is important to note that this test is sensitive to the number of items within a measurement scale. In the literature, an alpha of 0.60 or higher is normally recommended (Robinson et al., 1991; Nunnally and Bernstein, 1994). If the Cronbach's alpha for a measurement scale is lower than 0.6, provided the average inter-item correlation is ≥ 0.3 (Pallant, 2007; Clark and Watson, 1995), then it has displayed an acceptable level of reliability and the scale is sufficient for use in multiple item statistical analysis.

Inter-item correlation is a subtype of internal consistency reliability test performed to check if the responses given to each item correlates with those given to all other items in the scale. It is measured by computing the correlations among all items and finding the average of those intercorrelations. Pallant (2007) suggests that figures greater than 0.3 are acceptable.

Table 4.17 shows that at construct level, all the measurement scales in this study meet the above criteria with α -figures above 0.7 and inter-item correlation of between 0.41 and 0.83.

This suggests excellent internal consistency of these constructs and their individual observed variables. However, at sub-construct level, the Cronbach's alpha innovativeness is 0.685.

This is considered acceptable in literature, with many researchers suggesting dissatisfaction only with α figures lower than 0.6 (Malhorta and Birks, 2007; Kline, 2000). Also, Dooley, (1995), suggests that α -figures of 0.6 and above should be considered acceptable for constructs with smaller items. This is in line with Cronbach's (1951) inference that the estimation of reliability depicted by Cronbach's alpha increases with the number of items on a scale. In further support of this, previous studies using EO scale report Cronbach's alpha <0.7 . Examples are Zainol et al. (2012) $\alpha=0.56$ for the entire EO scale; Lumpkin and Dess (2001) $\alpha=0.66$ for Competitive Aggressiveness; Casillas et al., (2011) $\alpha=0.67$ for Risk. Based on these arguments, the Innovativeness subscale is considered to be internally consistent and reliable. It also demonstrates unidimensionality with Cronbach's alpha of 0.685 and inter-item correlation of 0.522.

4.8.3 Exploratory Factor Analysis/Principal Component Analysis

Exploratory Factor Analysis (EFA) is a statistical tool used to explore the underlying structure of a set of variables, presumably large. Specifically, EFA is used to uncover the links between the observed and latent variables in a set of data (Fabrigar et al., 1999).

In this thesis, Exploratory Factor Analysis (EFA) was conducted on all constructs using the principal components and varimax rotation methods which are similar to what other researchers have done, which have been earlier discussed in the review of literature (Zainol et al., 2012; Zainol and Ayadurai, 2011; Amran et al., 2009; Casillas and Moreno, 2010; Lumpkin et al., 2009; Lumpkin and Dess, 2001). Principal Component Analysis (PCA) was adopted to ensure that the possible maximum variance is extracted from all variables.

Varimax rotation was also selected to simplify and clarify the data structure (Fabrigar et al., 1999).

Varimax rotation is known for ensuring the maximum loadings of each variable on extracted factors while also simultaneously minimising its loading on other factors. The eigenvalues were set at a cut-off value of 1 for all analysis, in accordance with the accepted criteria in the literature (Field, 2005a; Costello and Osborne, 2005). However, before proceeding into the full factor analysis, each of these constructs, Kaiser-Meyer-Olkin (KMO) and Bartlett's test of Sphericity were carried out on the data. KMO is to measure the sampling adequacy for a satisfactory factor analysis. The acceptable minimum is 0.5, while 0.6 to 0.8 is considered good and values above 0.9 are considered excellent (Kaiser, 1974). Bartlett's test of Sphericity is used to measure the strength of the relationship among variables. A significant level of less than 0.05 is normally sought to establish that the variables being tested are uncorrelated in the population (Fabrigar et al., 1999).

The results displayed in table 4.17 above shows that all five constructs (Culture, Small Business Orientation, Dynamism, Entrepreneurial Orientation (EO) and Firm Performance (FP)) had KMO figures >0.69 , thus displaying sampling adequacy and suggesting the presence of a high common variance in each scale.

Further demonstrating the unidimensionality of all constructs are the EFA figures showing factor loadings for almost all items as >0.6 with only one item out of the twelve family culture with a factor loading of 0.5. The cumulative variance explained by all constructs with multiple factor structures is above 60%, while SBO and Dynamism had figures of 49% and 53% respectively since both scales possess single-factor structures.

4.8.3.1 Factorisation of Constructs – EFA Procedure

Family Culture: The F-PEC Culture subscale originally proposed by Astrachan et al. (2002) was adopted in this thesis to measure the family culture. Some of the items under the F-PEC

culture subscale were originally developed by Carlock and Ward (2001); but these were later modified and tested by Astrachan et al. (2002), with further validation provided by Klein et al., (2005) to form part of the F-PEC Scale.

Table 4.11 (in section 4.6.1 above) shows the original 13-items scale used by Astrachan et al. (2002) to measure family culture which was subsequently adopted in this study. Following the previous Exploratory Factor Analysis procedure, the results presented only 1 item presenting problematic loading. Consistent with the findings of Holt et al., (2010), FAMCUL 1 (Your family has influence on this business) appeared to be problematic cross loading with factor loadings of 0.496 and 0.483 on component factors 2 and 3 respectively. In addition to this, FAMCUL 1 communality figure of 0.480 is also the lowest variance in the thirteen variables accounted for by the extracted factors. Based on these explanations, FAMCUL 1 was removed.

The results of the EFA also show three interpretable factors emerging. These factors accounted for 65.45% of the variance in the data. Although the Cronbach's alpha figure remained at 0.884, the strong reliability of the family culture construct as proposed by Astrachan et.al. (2002) and recommended by Klein et al. (2005); Rutherford et al. (2008) and Holt et al. (2010) is confirmed in this thesis.

Entrepreneurial Orientation (EO): Although EO is a widely used scale in the literature, very few studies have actually employed all five dimensions of the EO construct proposed by Lumpkin and Dess (1996) in their analysis (Rauch et al., 2009). In order to determine whether the five dimensions of EO are truly independent and also represented in distinct constructs, factor analysis was carried out on the 18 item EO scale used by Lumpkin et al. (2009), following the previously mentioned procedure of factorisation. The EFA on the EO constructs was conducted thrice because of the unsatisfactory results in the initial process. The rotated component matrix in the initial processes showed the following: problematic

loadings of RISK1, INNOV2, AUTO3, AUTO 4 and COMP.AGRRE1; cross loadings of INNOV1 and INNOV3 into FACTOR 1 which clearly loaded all the four PROACTIVENESS items perfectly (with factor loadings >0.6). Following the above pruning of the EO construct, the original 18 scale items were reduced to 11 items loading clearly under 4 component factors. They are Proactiveness with 4 items; Risk-taking, 3 items; Autonomy, 2 items; and Innovativeness, 2 items. The factor loadings and other findings are shown in table 4.17 above.

The removal and retaining of items from the EO construct is backed theoretically by previous studies conducted in different parts of the world, using this construct (Lumpkin and Dess, 1996, 2001; Casillas and Moreno, 2010; Casillas et al., 2011; Zainol et al., 2012; Amran et al., 2009; Naldi et al., 2007; and Wiklund and Shepherd, 2005). However, establishing the multi-dimensionality of the EO construct in a developing/emerging economy, which is the focus of this thesis was quite challenging due to the dearth of literature in that area. A few researchers like Lumpkin and Dess (1996); Lumpkin et al. (2009); Casillas et al. (2010) have nonetheless, empirically proven that all the EO dimensions can be used as independent variables to measure the performance among other factors in firms. Therefore, based on the findings from the EFA, the EO construct is used as a four-multidimensional construct in this study. This finding is also similar to the results reported in the 2001 article by Lumpkin and Dess.

Small Business Orientation (SBO): SBO, as mentioned in Chapter 2 of this thesis is a new construct developed by Runyan, Droge and Swinney (2008) to test how the modus operandi of small business owners in terms of making their businesses an extension of their personality affects the performance of such firms. The authors initially proposed 9 items which was reduced to four after factorisation.

In this study however, after conducting exploratory factor analysis following the previously outlined procedure, 4 items were dropped due to problematic and cross loadings. These are PURP2, PURP3, PURP5 AND EMOT2, thus retaining PURP1, PURP4, EMOT1, EMOT3 AND EMOT4, with these five items loading to one factor. This finding shared similarity with the results presented by Runyan et al. (2008), who report in their study that the retained 4 items (PURP1, EMOT1, EMOT2, AND EMOT3) are also loading into one factor.

Environmental Factors: This thesis adopts the Environmental Dimension scale used by Lumpkin and Dess (2001). Most recently, Casillas et al. (2011), in their study provided further support, validity and reliability for this scale. Environmental Dimension is made of eight items which are divided into two subscales, namely environmental dynamism with five items and environmental hostility with three items. Following the procedure explained in section 4.8.3, Exploratory Factor Analysis was conducted on the eight-item-environmental dimension scale. Four out of the 5 Dynamism items loaded perfectly into Factor1, while the remaining 1 item (DYN1) loaded separately into another factor. The three hostility items presented problematic loadings with low factor loadings and cross loading. After retesting twice, the 3 hostility items and DYN1 were removed from the scale, thus reducing the scale from 8 items to four items. Based on the factorisation results, this thesis would be focused on investigating environmental dynamism only.

Firm Performance (FP): The variables employed in this thesis to measure firm performance are subjective measures. Using self-reporting technique, respondents were asked to compare the following aspects of their business (profitability, number of employees, sales revenue and market share) on a seven-point likert scale with: the business itself for the past three years; and their known competitors. The findings of the meta-analysis of 51 studies on

Entrepreneurial Orientation and performance reported by Rauch et al. (2009) indicate that most studies depend on this method for gathering useful data to measure performance.

Following the previously mentioned method of factorisation, the test measuring the sampling adequacy of this construct amounted to a Kaiser-Meyer-Olkin figure of 0.794 and significant Bartlett's Test of Sphericity, of $X^2 = 535.924$, $p < 0.0001$. The eigenvalues at >1 show only one factor component as expected with a total variance of 73.5% explained by this factor. All the four items loaded into one component, with factor loadings ranging from 0.793 to 0.920. The Cronbach's alpha for all the four items is 0.873 which is considered to be very good. Overall, the results of the EFA support the unidimensionality of the firm performance measure. It also validates the construct further, thus, confirming the outcome of previous researches on this subject matter (Naldi et al., 2008; Wiklund and Shepherd, 2003).

Unidimensionality as a form of scale and subscale reliability was therefore established in the measurement scales employed in this study, using the three criteria suggested by Anderson and Gerbing (1988) but with varied cut-off points suggested by different researchers, depending on the number of items in each construct. These criteria are the Cronbach's alpha ' α ' should be greater than 0.6; item-total correlations should exceed 0.3; and the factor loadings should be greater than 0.5 and significant at $p = .001$. The results displayed in table 4.17 confirm that all three conditions were met; all Cronbach's alpha values are higher or close to 0.7; all the item-total statistics are greater than or approaching 0.5; and the EFA results using principal component analysis show the factor loadings of the observable items onto their respective component factors which are all over or approaching 0.6, while the eigenvalue is greater than 1. The total variance explained by all multi-items scales is above 60% except for single scale items such as SBO (49%) and Dynamism (53%).

4.8.4 Construct Reliability

Reliability suggests a measure is reliable based on the extent to which the results produced are consistent across repeated measurements (Nunnally, 1978). Specifically, reliability is concerned with the extent to which these measurements can be repeated by different researchers when applied in different locations (Nunnally, 1978). In this thesis, the following measurements were used to confirm the reliability of all constructs, both at item and scale levels: Cronbach's alpha (α), Square Multiple Correlations (SMC); Composite Reliability (CR); and Average Variance Extracted (AVE).

Cronbach's alpha ' α ' was discussed at length in the previous section. The results displayed in table 4.17 showed that at scale level, all constructs met the very good indicator α range with figures above 0.7. Specifically, out of the nine individual subscales, eight had α -figures above 0.7, while innovativeness had an α -figure of 0.685. Consequently, based on the result of the Cronbach's alphas presented in table 4.17, reliability of all constructs employed in this study is implied.

4.8.4.1 Confirmatory Factor Analysis (CFA)

The further test of construct and sub-scale reliability and validity was carried out using Confirmatory Factor Analysis. Confirmatory Factor Analysis focuses on analysing the relationship between the latent variable (also called theoretical construct) and the observed variables (also called the measured items) (Tabachnick and Fidel, 2007). CFA in this thesis is used to further provide the quantitative measures that show the reliability and validity of employed constructs. Therefore, further testing of scale reliability was conducted by estimating the following: Squared Multiple Correlation (SMC); Average Variance Extracted (AVE) and Composite Reliability (CR), while construct validity demonstrating convergent and discriminant validity was shown using standardised factor loadings (regression weights); Average Variance Extracted (AVE); Reliability (the Cronbach's alpha); Correlations

Coefficients; and the Goodness-of-Fit (GOF) indices. The results of all findings are shown in tables 4.18, 4.24a and 4.24b below. However, the path diagrams for the CFA are shown in appendices 10 to 14.

4.8.4.1.1 Squared Multiple Correlations (SMC)

Square Multiple Correlations (SMC) is the communality estimate for an indicator variable. They are independent units of measurement. Specifically, SMC measures the percent of variance in a given indicator variable explained by its latent variable of factor and may be interpreted as the reliability of a factor (Bian, 2011). The Squared Multiple Correlations are also referred to as the squared loading. They can be calculated by squaring the standardised regression weights (Paswan, 2009). The generally acceptable figure for SMC is 0.3 and above (Holmes-Smith, 2000). However, reporting SMC of 0.2 is not unusual in the literature (Ahmetoglu et al., 2011). Table 4.18 shows that most items in each subscale had SMC figures >0.6; some items had SMC figures as high as 0.810. However, three SBO items, PURP1, PURP4 and EMOT1 report SMC of 0.21, 0.20 and 0.23 respectively. This is not completely unusual in the literature especially when the factor loadings (at $p \leq 0.01$) of both items were greater than or approaching 0.5; the Composite Reliability and AVE for the SBO construct were 0.7 and 0.4 respectively. Based on these considerations, construct validity is deemed to be supported in these constructs.

4.8.4.2 Composite Reliability (CR)

Composite Reliability (CR) is another measure of reliability in this thesis. This is a measure of reliability and internal consistency of a construct. CR is calculated from the sum of factor loadings (λ_i), squared for each construct and the sum of error variance (also called delta) terms for a construct (δ_i), using the formula below (Paswan, 2009). The generally acceptable figure for CR suggesting good reliability is ≥ 0.7 ; however, figures between 0.6 and 0.7 are considered acceptable (Paswan, 2009; Bagozzi and Yi, 1988).

$$CR = \frac{(\Sigma\lambda)^2}{[(\Sigma\lambda)^2 + \Sigma(1 - \lambda^2)]}$$

Table 4.18 reports CR values >0.7 for all construct; 0.9 for family culture and firm performance thus, demonstrating construct reliability.

4.8.4.3 Average Variance Extracted (AVE)

Average Variance Extracted (AVE) is the summary measure of convergence among a set of items representing a construct. Specifically, AVE states the percentage of variance captured by the latent variable in a structural equation model shared among other variables in relation to the amount of variance due to measurement error. The recommended threshold for AVE is ≥ 0.5 (Fornell and Larcker, 1981) and values of 0.4 are acceptable (Diamantopoulos and Siguaw, 2000). AVE is calculated from the sum of standardised loadings squared (SMC) divided by the sum of standardised loadings squared and sum of indicator measurement errors.

$$AVE = \frac{\Sigma\lambda^2}{[\Sigma\lambda^2 + \Sigma(1 - \lambda^2)]}$$

AVE of 0.4 and above suggests sufficient reliability of a construct. Table 4.18 below shows the following scales with the generally acceptable figure of ≥ 0.5 , FAMCUL; EO-AUTONOMY; EO-INNOVATIVENESS; EO-RISK; FIRM PERFORMANCE. However, three scales: SBO; DYNAMISM; and EO-PROACTIVENESS presented AVE of 0.4, which though not popular in the literature, is accepted (Diamantopoulos and Siguaw, 2000). The Cronbach's alphas and composite reliability values for the three scales, SBO, Dynamism and EO-Proactiveness, are well above the recommended threshold of 0.7 for both measurements. Based on these arguments and support from the literature for these three scales, they are accepted to have adequate construct reliability.

4.8.5 Convergent Validity

Construct validity of measurement is the degree to which a set of variables measure what is set out to measure (Nunnally, 1978). Specifically, it is when the measured items actually reflect the theoretical latent construct (Hair et al., 2006). Construct validity thus differs from construct reliability in the sense that the former is more theoretically focused while the latter is empirically focused. Convergent validity therefore, is the extent to which items of a specific construct converge or share a high proportion of variance in common (Paswan, 2009). It also refers to the presence of one latent construct underlying a set of variables. Specifically, convergent validity is established when the observed variables of a specified construct share a high proportion of variance in common (Bagozzi and Yi, 1988). Table 4.18 below shows the acceptable GOF indices.

TABLE 4.18: GOODNESS-OF-FIT INDICES: Description and Acceptable Thresholds

FIT INDEX	DESCRIPTION	THRESHOLDS
χ^2	Chi-Square is the initial measure of GOF. χ^2 assesses the magnitude of discrepancy between the sample and the fitted covariances' matrices (Hu & Bentler, 1992). Though the χ^2 is still popular in usage, other GOF indices are mostly considered because of a number of severe limitations associated to the χ^2 . A good model fit with χ^2 is expected to produce an insignificant result at a 0.05 threshold.	$p > .05$
χ^2/df	This is usually shortened to CMIN. χ^2/df is usually calculated to provide more meaningful result since the χ^2 value on its own is highly dependent on the sample size.	≤ 2 is preferred 2 to 5 is acceptable
RMSEA	Root Mean Squared Factor Error of Approximation 'RMSEA' tells us how well a model with unknown but optimally chosen parameter estimates would fit the most informative fit indices (Diamantopolous & Siguaw, 2000). It simply represents the degree to which a lack of fit is due to misspecification of the model tested versus being due to sampling error (Paswan, 2009).	< 0.10 is considered acceptable (Paswan, 2009; MacCallum et.al., 1996).
GFI & AGFI	Goodness-of-Fit (GFI) and Adjusted Goodness-of-Fit (AGFI) statistics calculates the proportion of variance that is accounted for by the estimated population covariance (Tabachnick and Fidell, 2007). The only downward side to GFI statistics is that it's high sensitivity to sample size (Sharma et al., 2005).	≥ 0.90 is generally acceptable (Paswan, 2009)
NFI	Normed-Fit-Index (NFI) is an incremental index that assesses the model by comparing the χ^2 value of the model to the χ^2 of the null model. One major disadvantage of the NFI is that it is sensitive to sample size.	≥ 0.90 is generally acceptable (Paswan, 2009)
CFI	Comparative Fit Index is a revised form of NFI and it is considered to show reasonably good values even with smaller sample sizes (Tabachnick & Fidell, 2007). It simple represents the improvement fit of the specified model over a baseline model in which all variable are constrained to be uncorrelated (Paswan, 2009)	≥ 0.90 is generally acceptable (Paswan, 2009)
TLI	Tucker-Lewis-Index is also an incremental index. It is also called Non-Normed Fit Index (NNFI).	≥ 0.95 preferred ≥ 0.90 acceptable (Paswan, 2009)
IFI	Incremental fit indices are also known as relative fit indices (RFI). These are a group of indices that do not use the χ^2 in its raw form but compare it to χ^2 value to a baseline model.	It is usually between 0 and 1, the closer it is to 1 the better the model fit (Paswan, 2009).

In assessing convergent validity, the correlations at item level would be compared across all constructs. Convergent validity would be established if the lowest correlation of a particular item within each component factor is significant at $p < 0.01$ (Koufteros, 1999). Furthermore, the item factor loadings referred to as Standardised Regression Weights (λ) must be ≥ 0.4 at a level of significance of 95% ($p = 0.05$) (Ford et al., 1986), but mostly preferably ≥ 0.5 (Paswan, 2009; Hair et al., 2006; Hair et al., 2010).

In this thesis, table 4.19 below shows that almost all items meet and surpass the preferable threshold of ≥ 0.5 for regression weight loadings, with only three exceptions (SBP-PURP1 0.46; SBO-PURP4 '0.43' and SBO-EMOT1 0.482) approaching 0.5. Convergent validity is thus proven among all items in each construct, which is employed in this study because all the measurement items demonstrated significant loadings onto their respective constructs.

Further demonstrating convergent validity are the Goodness-of-Fit (GOF) indices presented in table 4.19. The GOF indicates how well a specified model reproduces the covariance matrix among the observed variables. This implies that it examines the similarity between the observed and the estimated covariance matrices (absolute fit) (Paswan, 2009).

The fit parameters for the five constructs presented in table 4.19 show most of the constructs to be within the acceptable and preferable GOF levels. However, all but two have significant χ^2 values, which are not considered to be a major setback in this thesis because of the severe limitations associated with the usage of χ^2 in predicting good model fits (Hooper et al., 2008).

TABLE 4.19: Measurement Properties of Constructs in Confirmatory Factor Analysis

ITEM	ITEM RELIABILITY		delta (STANDARDISED ERROR VARIANCE)	CONSTRUCT RELIABILITY	
	STANDARDISED REGRESSION WEIGHTS (λ)	ITEM RELIABILITIES (SMC ^c) 'R ² '		COMPOSITE RELIABILITY 'CR'	AVERAGE VARIANCE EXTRACTED 'AVE'
Family Culture					
CUL1					
1. CUL 2	.804	.65	.35	0.9	0.5
2. CUL 3	.802	.64	.36		
CUL2					
3. CUL 4	.710	.50	.50		
4. CUL 5	.609	.37	.63		
5. CUL 6	.764	.58	.42		
CUL3					
6. CUL 7	.629	.40	.61		
7. CUL 8	.748	.56	.44		
8. CUL 9	.671	.45	.55		
9. CUL 10	.672	.45	.55		
10. CUL 11	.754	.57	.43		
11. CUL 12	.699	.49	.51		
12. CUL 13	.750	.56	.44		
MODIFICATION INDICES	X²=157.364; DF=60; p<=.000; CMIN/DF=2.623; RMR=0.068; GFI=.900; NFI = 876; IFI=.920; TLI=.911; CFI=.919; RMSEA=.083 (LO=.067; HI=.099); PCLOSE=.000				
Small Business Orientation				0.7	0.4
13. Purp1	.463	.21	.79		
14. Purp4	.430	.20	.80		
15. Emot 1	.482	.23	.77		
16. Emot3	.850	.72	.28		
17. Emot 4	.700	.49	.51		
MODIFICATION INDICES	X²=21.239; DF=8; p<=.006; CMIN/DF=2.666; RMR=0.192; GFI=.965; NFI = .917; IFI=.947; TLI=.933; CFI=.946; RMSEA=.084 (LO=.042; HI=.0128); PCLOSE=.086				
Dynamism				0.7	0.4
18. Dyn 2	.602	.36	.64		
19. Dyn 3	.632	.40	.60		
20. Dyn 4	.604	.36	.64		
21. Dyn 5	.598	.36	.64		
MODIFICATION INDICES	X²=9.082; DF=5; p<=.106; CMIN/DF=1.816; RMR=0.197; GFI=.981; NFI = .943; IFI=.974; TLI=.968; CFI=.973; RMSEA=.059 (LO=.000; HI=.119); PCLOSE=.340				
Entrepreneurial Orientation					
AUTONOMY					
22. Auto 1	.749	.56	.44		

23. Auto 2	.759	.58	.42	0.7	0.6
INNOVATIVENESS					
25. Innov 4	.695	.48	.52	0.7	0.5
26. Innov 5	.758	.57	.43		
PROACTIVENESS					
28. Proac 1	.616	.38	.62	0.7	0.4
29. Proac 2	.654	.43	.57		
30. Proac 3	.613	.38	.62		
31. Proac 4	.623	.39	.61		
RISK TAKING					
32. Risk 2	.735	.54	.46	0.8	0.5
33. Risk 3	.714	.51	.49		
34. Risk 4	.726	.53	.47		
MODIFICATION INDICES	$X^2=105.245$; $DF=45$; $p<.000$; $CMIN/DF=2.339$; $RMR=0.204$; $GFI=.925$; $NFI = .849$; $IFI=.906$; $TLI=.884$; $CFI=.905$; $RMSEA=.075$ ($LO=.057$; $HI=.094$); $PCLOSE=.014$				
FIRM PERFORMANCE					
35. Profitability	.790	.62	.38	0.9	0.7
36. Employee (Change in Size)	.712	.51	.49		
37. Sales Revenue	.928	.86	.14		
38. Market Share	.827	.68	.32		
MODIFICATION INDICES	$X^2=14.490$; $DF=5$; $p=.013$; $CMIN/DF=2.898$; $RMR=.110$; $GFI=.971$; $NFI = .973$; $IFI=.982$; $TLI=.979$; $CFI=.982$; $RMSEA=.090$ ($LO=.038$; $HI=.145$); $PCLOSE=.094$				

^aStandardised Regression Weights should be at least 0.46 approximately 0.5, all significant at $p<.001$

^bThreshold for SMC (>.30); CR (>.70); AVE (>.50. Please note that $AVE = 0.4$ is also considered acceptable)

^cSMC stands for Squared Multiple Correlation

Furthermore, it is not unusual to find significant χ^2 values in large samples (Doney and Canon, 1997). Dynamism scale records the most excellent model fit indices with a non-significant χ^2 ($p>0.05$). Specifically, the model fit indices of dynamism are: $\chi^2= 9.082$; $p<.106$; CMIN/df=1.816; GFI=0.981; NFI=0.943; IFI=0.974; TLI=0.968; CFI=0.973; RMSEA=0.059. Firm performance is another construct with an excellent model fit: $\chi^2= 14.490$; $p<.013$; CMIN/df=2.898; GFI=0.971; NFI=0.973; IFI=0.982; TLI=0.979; CFI=0.982; RMSEA=0.090. Family culture has the following values: $\chi^2= 157.364$; CMIN/df=2.623; GFI=0.900; NFI=0.876; IFI=0.920; TLI=0.911; CFI=0.919; RMSEA=0.083. These values which are similar to those recorded for EO, all indicate a reasonable model fit.

Slight adjustments were made in the SBO model based on the results of its modification indices to achieve a better model. Runyan et al (2008), the originator of this construct, also made similar adjustments when performing CFA on the construct. Lastly, the standardised residual covariant values between indicators are mostly below the critical value of 2.58 suggested by Anderson et al. (1998) thus confirming convergent validity in all the constructs.

Convergent validity is further supported by significant correlations among all items under each scale; reflecting a common concept in them. Correlations between the items in each construct are reported in tables 4.20, 4.21, 4.22 and 4.23 below.

Table 4.20 shows that the three subscales under the family culture construct have significant correlations between themselves. According to Koufteros et al. (1997), a convergent validity is further established in the family culture construct because all the items in each of the three subscales have significant positive between themselves with all but one significant at $p<0.01$.

Table 4.21 shows the inter-item correlations between the dimensions of EO. The results presented in table 4.21 show the correlations between AUTO1 and AUTO2 as $r=0.568$, $p\leq 0.001$.

TABLE 4.20: Summary of Descriptive Statistics and Correlation Matrix for Family Culture

ITEMS	Mean	SD	CUL2	CUL3	CUL4	CUL5	CUL6	CUL7	CUL8	CUL9	CUL10	CUL11	CUL12	CUL13
1. CUL2	5.9	1.10	1											
2. CUL3	5.8	1.15	.646**	1										
3. CUL4	6.4	0.87	.238**	.351**	1									
4. CUL5	6.2	0.93	.173**	.299**	.453**	1								
5. CUL6	6.5	0.78	.247**	.312**	.571**	.379**	1							
6. CUL7	6.0	0.99	.379**	.485**	.445**	.212**	.451**	1						
7. CUL8	6.5	0.81	.349**	.344**	.446**	.270**	.503**	.499**	1					
8. CUL9	6.2	0.94	.145*	.245**	.344**	.232**	.415**	.453**	.511**	1				
9. CUL10	6.1	0.97	.339**	.375**	.348**	.257**	.450**	.468**	.456**	.606**	1			
10. CUL11	6.5	0.76	.221**	.176**	.482**	.314**	.488**	.391**	.579**	.495**	.514**	1		
11. CUL12	6.3	0.90	.252**	.361**	.365**	.344**	.409**	.380**	.481**	.553**	.558**	.485**	1	
12. CUL13	6.4	0.81	.348**	.417**	.386**	.322**	.435**	.469**	.546**	.489**	.538**	.489**	.609**	1

TABLE 4.21: Summary of Descriptive Statistics and Correlation Matrix for Entrepreneurial Orientation

ITEMS	MEAN	S.D	AUTO1	AUTO2	INNOV4	INNOV5	PROAC1	PROAC2	PROAC3	PROAC4	RISK2	RISK3	RISK4
1. AUTO1	3.57	1.935	1										
2. AUTO2	3.10	1.920	.568**	1									
3. INNOV4	4.71	1.668	.151*	.071	1								
4. INNOV5	4.71	1.582	.182*	.239**	.522**	1							
5. PROAC1	4.26	1.644	.011	-.182**	.140*	.095	1						
6. PROAC2	4.38	1.529	.140*	.053	.190**	.265**	.391**	1					
7. PROAC3	3.76	1.685	-.041	.079	.083	.172**	.387**	.428**	1				
8. PROAC4	4.30	1.624	.062	.019	.040	.138*	.429**	.357**	.371**	1			
9. RISK2	2.71	1.595	.198**	.156*	-.037	.026	.111	.198**	.187**	.309**	1		
10. RISK3	2.93	1.681	.245**	.143*	.067	.106	.164*	.295**	.317**	.295**	.634**	1	
11. RISK4	2.35	1.402	.170**	.231**	-.043	-.073	.027	.043	.144*	.171**	.471**	.469**	1

**Correlation is significant at the 0.01 (99% level) 2-tailed.

Similar ‘r’ values are recorded for the correlations between the items under innovativeness, proactiveness and risk-taking subscales, and all are significant at $p < 0.01$.

Table 4.22 below shows the inter-item correlations between the items under SBO and environmental dynamism. The results also confirm the convergent validity of both scales individually. The lowest correlation coefficient between the items in the SBO is $r = 0.262$, $p < 0.01$ and that of Dynamism is $r = 0.291$, $p < 0.01$.

TABLE 4.22: Descriptive Statistics and Correlation Matrix for SBO and Dynamism

ITEMS	MEAN	SD	PUR1	PUR4	EMO1	EMO3	EMO4	DY2	DY3	DY4	DY5
SBO-PUR1	6.02	1.553	1								
SBO-PUR4	5.73	1.781	.295**	1							
SBO-EMO1	5.64	1.527	.262**	.378**	1						
SBO-EMO3	6.57	0.808	.332**	.254**	.353**	1					
SBO-EMO4	6.38	1.081	.356**	.367**	.434**	.603**	1				
DY2	3.27	1.903	-.089	-.070	-.006	.147*	-.058	1			
DY3	3.35	1.763	.003	-.039	-.038	-.076	-.141*	.421**	1		
DY4	3.22	1.773	.141*	-.060	.008	.032	-.067	.320**	.381**	1	
DY5	3.19	1.856	-.078	-.111	.071	-.027	-.096	.457**	.347**	.291**	1

**Correlation is significant at the 0.01 (99% level) 2-tailed. *Correlation is significant at the 0.05 (95% level) 2-tailed

Table 4.23 shows the correlations between the items under Firm Performance. The minimum correlation coefficient is 0.517 and all r values are significant at $p < 0.01$. This confirms the convergent validity in this construct. Table 4.23 below illustrates the detailed results generated from the correlation analysis on the firm performance construct.

TABLE 4.23: Descriptive Statistics and Correlation Matrix for Firm Performance

ITEMS SHARE	MEAN	SD	PROFITABILITY	EMPLOYEE	SALES REVENUE	MARKET
1.PROFITABILITY	4.82	1.204	1			
2.EMPLOYEE	4.46	1.360	.517**	1		
3.SALES REVENUE	4.70	1.100	.721**	.617**	1	
4.MARKET SHARE	4.43	1.258	.601**	.615**	.793**	1

**Correlation is significant at the 0.01 (99% level) 2-tailed.

*Correlation is significant at the 0.05 (95% level) 2-tailed.

4.8.6 Discriminant Validity

Discriminant validity is the extent to which a construct is truly distinct from other constructs (Paswan, 2009). Specifically, it indicates the extent to which a dimension in a theoretical system differs from other dimensions in the same system (Churchill,

1979); thus confirming its unidimensionality. In this thesis, discriminant validity is shown by the following: correlations comparisons (Koufteros et al., 1997); the AVE versus Shared Variance test, showing that $AVE > \text{Shared Variance}$ (Farrell, 2010).

In comparison of correlations, the lowest correlations for a particular item and any other item within the same factor (within-factor correlations) are compared with the correlations of that item and all items outside the factor (between-factor correlations) (Koufteros, 1999). If the within-factor correlation is less than any between-factor correlation, then a violation would have occurred.

Tables 4.20 to 4.23 above present the correlation matrices for family culture, EO, SBO, dynamism and firm performance. Table 4.21 shows the inter-item correlations between the dimensions of EO. The results presented in table 4.21 show the correlations between AUTO1 and AUTO2 as $r=0.568$, $p \leq 0.001$, which is the highest when compared with the correlation coefficients of the items in Innovativeness, Proactiveness and Risk-Taking. Similarly the correlation coefficient between the two innovativeness items of $r=0.522$, $p \leq 0.001$ is higher than the r values of items in Autonomy, Proactiveness and Risk-Taking. Detailed reports of the correlation coefficients are given in table 4.21 above. This also confirms the discriminant validity in the four EO dimensions.

Table 4.22 shows the inter-item correlations between the SBO and dynamism constructs. The results clearly demonstrates high 'r' values between the items in SBO all significant at $p < 0.01$, thus confirming the discriminant validity in this construct. Similar findings were recorded for the dynamism construct. The 'r' values between the four dynamism items are high at $p < 0.01$. Furthermore, there is no only one positive significant (at $p < 0.05$) between one SBO item and one dynamism item. However, it is important to mention that tables 4.20 and 4.23 clearly show

significant and high correlations among all items in the family culture and firm performance constructs respectively; thus demonstrating the unidimensionality of each construct (Astrachan et al., 2002; Shaker et al., 2008).

Secondly, discriminant validity is also tested by comparing the AVE values of each construct with the squared interconstruct correlation (SIC) also known as the shared variance between constructs. Using Farrell's (2010) definition, shared variance is the amount of variance that one construct is able to explain in another construct. It is represented by the square correlation between any two constructs. Discriminant validity would be supported if the AVE for each construct is greater than its shared variance with any other construct. Shared variance is calculated from Interconstruct Correlations (IC) obtained from the correlations table from the Confirmatory Factor Analysis (CFA) carried out on AMOS. Each IC score is squared to give Squared Interconstruct Correlations (SIC). SIC shows the shared variance associated with each factor, thus SIC in this thesis depicts shared variance. These SIC scores are then compared with each construct's Average Variance Extracted (AVE). The general rule is that AVE should be larger than the corresponding SIC. If $AVE > SIC$ is proposed, this suggests that the measured variables have more in common with the constructs they are associated with than they do with other constructs (Paswan, 2009). Table 4.24 below shows the details of our findings for the EO construct.

The AVE value for each EO dimension is greater than the squared correlations between associated constructs, thus, displaying an evidence of excellent discriminant validity in the EO construct. Section 4.8 confirms the following: strong item reliability in all scales and subscales; strong construct reliability in all measurement scales; evidence of convergent and discriminant validity in each construct.

TABLE 4.24a: Estimate Correlations between Dimensions of EO

	ESTIMATES	SIC
AUTO<-->INNOV	0.306	0.0936
AUTO<-->PROAC	0.000	0.000
AUTO<-->RISK	0.345	0.119
INNOV<-->PROAC	0.322	0.104
INNOV<-->RISK	0.022	0.000
PROAC<-->RISK	0.421	0.177

TABLE 4.24b: AVE versus Squared Interconstruct Correlation ‘SIC’ for EO

FACTORS	AUTONOMY	INNOVATIVENESS	PROACTIVENESS	RISK-TAKIN
AVE*	0.6	0.5	0.4	0.5
AUTONOMY	-	0.094	0.000	0.119
INNOVATIVENESS	0.094	-	0.119	0.000
PROACTIVENESS	0.000	0.104	-	0.177
RISK-TAKING	0.119	0.000	0.177	-

AVE stands for Average Variance Extracted; EO stands for Entrepreneurial Orientation.

Therefore, the question of if the measurable (observed) variables correspond to the theoretical (unobserved) construct is answered in the affirmative for all the five constructs employed for analysis in this thesis. This study’s affirmation of its five constructs is also supported by its comparison with the individual usage in the literature.

4.9 Correlations of Variables

The correlation matrix displaying the correlation coefficients of all the variables is shown in table 4.25. The results show that there are several statistically significant correlations in the table. The correlation matrix reveals that FAMCUL is positively and significantly associated with SBO ($r=0.448, p<0.01$); Innovation ($r=0.161, p<0.05$); Proactiveness ($r=0.162, p<0.05$); and Firm Performance ($r=0.277, p<0.01$); but shows negative and significant association with Risk ($r=0.140, p<0.05$).

Among the mediating variables, Dynamism, SBO and EO, the following correlations are revealed: Dynamism shows no significant association with family culture and firm performance but is positively associated with Autonomy ($r=0.258$, $p<0.01$) and Innovativeness ($r=0.139$, $p<0.05$).

TABLE 4.25: Summary of Descriptive Statistics and Correlation Matrix for all Constructs

ITEMS	MEAN	SD	FAMCUL	SBO	DYN	AUTO	INNOV	PROAC	RISK	FP-ALL
FAMCUL	6.221	0.613	1							
SBO	5.959	0.936	.448**	1						
DYN	3.257	1.325	-.073	-.041	1					
AUTO	3.135	1.400	-.031	-.116	.258**	1				
INNOV	4.283	1.251	.161*	.038	.139*	.192**	1			
PROAC	4.176	1.197	.162*	.029	-.058	-.005	.277**	1		
RISK	2.664	1.293	-.140*	-.204*	.103	.258**	.102	.316**	1	
FP-ALL	4.600	1.051	.277**	.156*	.054	.227**	.243**	.142*	.167**	1

**Correlation is significant at the 0.01 (99% level) 2-tailed; *Correlation is significant at the 0.05 (95% level) 2-tailed.

SBO on the other hand, seems to be positively and significantly associated with firm performance ($r=0.156$, $p<0.05$), but negatively associated with Risk ($r=0.204$, $p<0.01$). Autonomy, an EO dimension, shows positive and significant associations with Innovativeness, Risk and firm performance. Somewhat similarly, Innovativeness seems to be positively associated with firm performance and Proactiveness. Proactiveness shows significant and positive associations with Risk and FP. Risk also shows a significant and positive correlation with firm performance.

Overall, SBO and EO show significant and positive associations with firm performance but both mediating variables interact with family culture differently. The correlations further suggest that it is likely to discover some significant relationships between family culture, SBO, the four dimensions of EO and Firm Performance in regression analysis, but not all mediating variables are going to be significant.

4.10 Hypotheses of this Thesis and Theory

Drawing from different perspectives, the research model of this thesis was developed to provide a better understanding of the different factors that affect the performance of family businesses in an emerging economy. It has also attempted to further explore the multi-dimensionality of entrepreneurial orientation construct in this part of the world. Overall, this thesis is relying on the resource-based view theory, to explain the intricacies of family involvement in a business. The list of hypotheses and expected relationships are shown in table 4.26 below.

Studies on family business reveal that family involvement in a business might help differentiate it from other forms of business. However, there have been contrary opinions over the years (Chrisman et al., 2010; Klein et al. 2005), which makes it quite imperative for new studies to use different strategic orientations to examine this relationship. This is to provide more clarity both empirically and theoretically (Chrisman et al., 2010). In this thesis, two inversely distinct strategic orientations, namely EO and SBO are used to explain the relationship between family culture (a key component of family involvement) and firm performance, in an under-researched area. The focus here is to use two strategic orientations to explain the idiosyncratic resources and capabilities that are generated when the family interacts with the business.

Furthermore, in this thesis, there is also an examination of the effect of dynamism on family culture and its relationship with firm performance in the largest emerging economy in Africa. Using the Resource-Based View theory of the firm, the data collected from the 237 family businesses is analysed with special focus on the possibility of possessing heterogeneous strategic orientations which could either be mainly Entrepreneurial Orientation or Small Business Orientation.

TABLE 4.26: List of Hypotheses

ITEMS	HYPOTHESES	EXPECTED RELATIONSHIP
Hypothesis 1:	Family Culture would positively affect the performance of family-involved businesses in Nigeria.	Positive
Hypothesis 2:	(i) Each of the four dimensions of EO ('a' autonomy, 'b' innovation, 'c' proactiveness and 'd' risk-taking) would distinctively affect the performance of family-involved businesses in Nigeria; (ii) Each of the dimensions of EO would be distinctively influenced by family culture in family-involved businesses; (iii) Each of the four dimensions of EO would distinctively moderate the relationship between family culture and performance of family-involved businesses in Nigeria	Positive
Hypothesis 3:	i) Small Business Orientation (SBO) would positively affect the performance of family-involved businesses in Nigeria. (ii) SBO would be positively influenced by family culture in family-involved businesses. (iii) SBO would positively moderate the relationship between family culture and performance of family-involved businesses in Nigeria.	Positive
Hypothesis 4:	Environmental Dynamism would negatively moderate the relationship between family culture and performance of family-involved businesses in Nigeria?	Positive
Hypothesis 5:	a) There is a significant difference in the level of family culture in family-involved businesses based on their ethnicity b) There is a significant difference in the performance level of the surveyed family-involved businesses based on their ethnic group.	Positive
Hypothesis 6:	a) There is a significant difference in the level of family culture in family-involved businesses based on the gender of who is leading the business. b) There is a significant difference in the performance level of family-involved businesses based on the gender of who is leading the business.	Positive
Hypothesis 7:	a) There is a significant difference in the level of family culture of family-involved businesses based on the generation controlling the business. b) There is a significant difference in the performance level of family-involved businesses based on the generation controlling the business.	Positive

The next step is to carry out regression analysis to examine the eight hypotheses of this thesis as listed in table 4.26 above. Consistent in major studies on family business, multiple linear regression is used. However, before proceeding, the ratio of independent variables per number of cases was checked; and the preferred ratio is 50 to 1. In this thesis, there are 237 valid cases and four independent variables. The ratio of 59.25 to 1 satisfies and even exceeds the preferred ratio. All other assumptions were checked and met before proceeding with the regression analysis. The results of the regression analyses are shown in the following tables 4.27 to 4.31 below.

4.11 Family Culture, EO, SBO and Firm Performance

In this section, these six variables: family culture, four EO dimensions and SBO were used as predictors of performance in family-involved businesses in Nigeria. Linear regression was employed controlling for fifteen variables. The findings are presented in sub-sections 4.11.1 to

4.11.3 below.

4.11.1 Family Culture and Firm Performance

The research question being tested in this section is “does family culture affect firm performance in family-involved businesses in Nigeria?”

Linear regression analysis was performed to investigate the possibility and extent to which family culture predicts performance of family-involved businesses in Nigeria, after controlling for the following variables: gender, business age, owner’s age, ethnic group, ownership, management, governance, succession and employee (firm size). Preliminary analyses were conducted to ensure that there were no violation of the assumptions of normality, linearity and homoscedasticity. Additionally, the correlations amongst the predictor variable and control variables were examined and the results show none with ‘r’ value close to or equal to 0.8. This result indicates that multicollinearity is unlikely to be a problem (Tabachnick and Fidell, 2007). Further showing the absence of multicollinearity are the values for Variance Inflation Factors (VIF) and tolerance level. The highest VIF value was 3.09 and the lowest tolerance value was 0.32. This indicates there are values lower than the recommended of 10 for VIF; and higher than the lower limit of 0.1 for tolerance level.

In the first step of the multiple regression, fifteen control variables (gender, business age, owner’s age, ethnic group, family ownership, non-family ownership, family management, non-family management, family control, non-family control, family decision making, non-family decision making, succession, family employee and non-family employee). However, family ownership was automatically excluded from the model because it exceeded the tolerance limit and the variable also does not appear to have much variance in it.

TABLE 4.27: Family Culture and Firm Performance – Regression Analysis			
	R²	R² CHANGE	F
Model 1	0.151	0.151	2.811***
Model 2	0.220	0.069	4.151***
Independent Variable		β(t)	
Family Culture		0.275*** (4.428)	
Control Variables		β(t)	
Gender		0.029 (0.462)	
Firm Age		-0.058 (-0.828)	
Owner's Age		0.001 (0.009)	
Ethnic Group		-0.129* (-1.974)	
Ownership (Non-Family)		-0.072 (-1.162)	
Management (Family)		0.078 (0.799)	
Management (Non-Family)		0.126 (1.390)	
Governance: Control (Family)		-1.117 (-1.118)	
Governance: Control (Non-Family)		0.082 (0.841)	
Governance: Business Decision (Family)		0.178* (2.189)	
Governance: Business Decision (Non-Family)		-0.106 (-1.043)	
Succession		0.039 (0.593)	
Employee (Family)		-0.005 (-0.073)	
Employee (Non-Family)		0.250*** (3.298)	
VIF		1.094	
Tolerance Level		0.914	

Note: n = 237; t values are in parentheses; a variable with 't' value < 2 is not part of the model.

***Significant at the 99% confidence interval (two-tailed)

**Significant at the 95% confidence interval (two-tailed)

*Significant at the 90% confidence interval (two-tailed)

The result of the analysis shows that model 1 was statistically significant $F(14, 222) = 2.811$, $p=0.001$ and explains 15.1% of the variance in firm performance of family-involved businesses.

However, after the entry of family culture in step 2, the total variance explained by model 2 (which represents the model as a whole) increases to 22% $F(15, 221)=4.151, p<0.0001$. Model 2 therefore displays a stronger and more statistically significant relationship with firm performance than Model 1 due to the introduction of family culture.

Table 4.27 also shows that the introduction of family culture into the model explains an additional 6.9% variance in firm performance after controlling for the remaining fourteen variables $R^2\text{Change}= 0.069; F(1,221)=19.610, p<0.0001$.

In the final model, the following variables show statistical significance: three control variables (Ethnicity $\beta=-0.129, p<0.05$; Family Governance-decision making $\beta=0.178, p<0.05$ and Non-Family Employee $\beta=0.250, p=0.001$). The predictor variable however records the highest β value and also the strongest statistical significance in this model, Family Culture $\beta=0.275, p<0.0001$. The findings in this section thus support hypothesis 1 of this thesis that family culture does predict performance both positively and significantly in family-involved businesses in Nigeria.

4.11.2 EO, Firm Performance and Family Culture

The first research question being tested in this section is “which of the four dimensions of EO [a) autonomy, b) innovativeness, c) proactiveness and d) risk-taking], would affect the performance of family-involved businesses in Nigeria?”.

Multiple linear regression analysis was performed to investigate the ability of each of the four dimensions of EO to predict performance of family-involved businesses in Nigeria, after controlling for the fifteen variables listed in sub-section 4.11.1 above. Following the procedure in the previous sub-section, preliminary analyses were conducted to ensure that there was no violation of the assumptions of normality, linearity and homoscedasticity.

TABLE 4.28a: EO and Firm Performance-Regression Analysis				TABLE 4.28b: Family Culture (IV) AND EO Dimensions (DV)								
				AUTO		INNOV		PROAC		RISK		R ²
				M1	M2	M1	M2	M1	M2	M1	M2	
	R²	R² Δ	F	R²	0.171	0.173	0.115	0.135	0.134	0.159	0.196	0.217
Model 1	0.151	0.151	2.811***	R² Δ	0.171	0.002	0.115	0.020	0.134	0.026	0.196	0.021
Model 2	0.220	0.069	3.181***	F	3.271***	0.658	2.070***	4.999**	2.447***	6.761***	3.876***	5.814***
Independent Variables/DV		FP β (t)		FAMILY CULTURE (IV) AND EO DIMENSIONS (DV) β (t)								
Autonomy		0.147* (2.171)		-0.052 (-0.811)								
Innovativeness		0.174** (2.629)		0.146** (2.236)								
Proactiveness		0.069 (0.996)		0.168*** (2.600)								
Risk-Taking		0.085 (1.208)		-0.150** (-2.411)								
Control Variables		β (t)		β (t)								
				AUTO		INNOV		PROAC		RISK		
Gender		0.004 (0.070)		0.107* (1.675)		0.180*** (2.748)		-0.032 (-0.490)		0.117* (1.872)		
Firm Age		-0.099 (-1.411)		-0.037 (-0.520)		-0.010 (-0.136)		0.058 (0.793)		0.041 (0.581)		
Owner's Age		0.017 (0.261)		0.047 (0.722)		0.024 (0.365)		0.023 (0.352)		0.078 (1.228)		
Ethnic Group		-0.111 (-1.681)		0.013 (0.197)		-0.029 (-0.423)		0.003 (0.039)		-0.040 (-0.617)		
Ownership (Non-Family)		-0.110 (-1.744)		0.000 (-0.006)		0.026 (0.401)		0.142** (2.201)		0.092 (1.476)		
Management (Family)		0.082 (0.831)		0.016 (0.164)		0.070 (0.681)		-0.160 (-1.583)		-0.111 (-1.133)		
Management (Non-Family)		0.064 (0.689)		0.274*** (2.939)		0.071 (0.747)		0.032 (0.346)		0.064 (0.704)		
Gov: Control (Family)		-0.045 (-0.421)		-0.159 (-1.475)		0.000 (0.001)		0.233** (2.148)		-0.048 (-0.463)		
Gov:Control (Non-Family)		-0.018 (-0.179)		0.221** (2.195)		0.211** (2.043)		0.139 (1.365)		0.302*** (3.073)		
Gov: Business Decision (Family)		0.135 (1.650)		0.066 (0.793)		0.038 (0.441)		-0.128 (-1.520)		-0.073 (-0.895)		
Gov:Business Decision(Non-Family)		-0.091 (-0.884)		-0.253** (2.425)		0.007 (0.066)		0.074 (0.705)		-0.155 (-1.528)		
Succession		0.032 (0.480)		0.126* (1.854)		0.017 (0.243)		0.018 (0.262)		0.111* (1.669)		
Employee (Family)		0.022 (0.303)		-0.138* (-1.900)		-0.133* (-1.782)		-0.013 (-0.429)		0.056 (0.784)		
Employee (Non-Family)		0.255*** (3.330)		0.069 (0.883)		-0.030 (-0.373)		0.083 (1.050)		0.104 (1.369)		
Maximum VIF		1.244		1.094		1.094		1.094		1.094		
Lowest Tolerance Level		0.804		0.914		0.914		0.914		0.914		

Note: n = 237; t values are in parentheses; a variable with 't' value < 2 is not part of the model.

***Significant at the 99% confidence interval (two-tailed)

**Significant at the 95% confidence interval (two-tailed)

*Significant at the 90% confidence interval (two-tailed)

Gov.= Governance; RΔ= R Change; M1= Model 1; M2 = Model2

The findings show that the correlations among the variables had 'r' values much lower than 0.9. The VIF and tolerance limit figures were also within the acceptable ranges as specified by Tabachnick and Fidell (2007), thus, confirming the absence of multicollinearity.

In the first step of the multiple regressions, the fifteen control variables were entered as listed in table 4.28a above. However, family ownership was excluded in the regression analysis because the variable falls below the specified tolerance limit and possibly also due to the non-variance in the variable. Model 1 (containing control variables only) predicting firm performance is statistically significant $F(14, 222)=2.811$, $p=0.001$ and explains 15.1% of the variance in firm performance. However, after introducing the four predictor variables (autonomy, innovativeness, proactiveness and risk-taking) in step 2, the total variance explained by the model as a whole increases to 22%, $F(18, 218)=3.181$, $p<0.0001$. These results indicate a stronger statistically significant relationship between model 2 and firm performance.

Table 4.28a also shows that the introduction of the four EO dimensions into the model explains an additional 6.9% variance in firm performance after controlling for the fourteen variables listed in the table; $R^2\text{Change}= 0.069$; $F(4, 218)=4.839$, $p=0.001$. In the final model, the following variables show statistical significance: Non-Family Employee $\beta=0.255$, $p=0.001$; and only two predictor variables: (autonomy $\beta=0.147$, $p<0.05$; and innovativeness $\beta=0.174$, $p<0.01$). The β value for innovativeness is higher and the variable also displays a stronger statistical relationship with firm performance than autonomy. These results displayed in table 4.28a supports hypotheses 2a, 2b and 2d but hypothesis 2c is not supported.

Table 4.28b shows the results of the multiple regressions conducted to check how each of the four dimensions of EO is influenced by family culture. AUTO: Model 1 (containing control variables only) is strongly significant $F(14, 222) =3.271$, $p=0.000$ and explains 17.1% of the

variance in autonomy. However, after introducing family culture in step 2, the total variance explained by the 2nd model increases only slightly to 17.3%, $F(15, 221)=3.092$, $p=0.000$. Although, the results indicate a statistically significant relationship between model 2 and autonomy, the influence of family culture on autonomy on its own is not significant, as shown in the explanation below.

The result of the analysis shows that the introduction of family culture into the model explains only 0.2% variance in autonomy after controlling for the fourteen variables listed in the table, with no significance: $R^2\text{Change}= 0.002$; $F(1, 221)=0.658$, $p=0.418$. It is also important to note that family culture has a negative, though, insignificant relationship with the autonomy of Nigerian family businesses. In the final model for Autonomy, the following variables showed statistical significance, thus influencing the autonomy of Nigerian family businesses: Gender $\beta=0.107$, $p=0.095$; Non-Family Management $\beta=0.274$, $p=0.004$; Non-Family Control $\beta=0.221$, $p=0.029$; Non-Family Business Decision $\beta=-0.253$, $p=0.016$; Succession $\beta=0.126$, $p = 0.065$; and Family Employment $\beta=-0.138$, $p=0.059$.

INNOV: Model 1 (containing control variables only) is strongly significant $F(14, 222) =2.070$, $p=0.014$ and explains 11.5% of the variance in innovativeness. However, after introducing family culture in step 2, the total variance explained by the 2nd model as a whole is increased to 13.5%, $F(15, 221)=2.300$, $p=0.005$. The results also show that the introduction of family culture into the model explains an additional 2% variance in innovativeness after controlling for the fourteen variables listed in the table; $R^2\text{Change}= 0.020$; $F(1, 221)=4.999$, $p=0.026$. Family culture influences innovativeness in Nigerian family businesses both positively and significantly. In the final model for Innovativeness, the following variables show statistical significance, thus influencing the innovativeness of Nigerian family businesses: Gender $\beta=0.180$, $p=0.006$; Non-

Family Control $\beta=0.211$, $p=0.042$; and Family Employment $\beta= -0.133$, $p=0.076$. PROAC: Model 1 (containing control variables only) is strongly significant $F(14, 222) =2.447$, $p=0.003$ and explains 13.4% of the variance in proactiveness. However, after introducing family culture in step 2, the total variance explained by the 2nd model as a whole is increased to 15.9%, $F(15, 221)=2.794$, $p=0.001$.

The results also show that the introduction of family culture into the model explains an additional 2.6% variance in proactiveness after controlling for the fourteen variables listed in the table: $R^2\text{Change}= 0.026$; $F(1, 221)=6.761$, $p=0.010$. Family culture, as shown in table 4.28b below, influences proactiveness in Nigerian Family Businesses both positively and significantly. In the final model for proactiveness, the following variables show statistical significance, thus influencing the innovativeness of Nigerian family businesses: Non-family ownership $\beta=0.142$, $p=0.029$; and Family Control $\beta=0.233$, $p=0.033$. RISK-TAKING: Model 1 (containing control variables only) is strongly significant $F(14, 222)=3.876$, $p=0.000$ and explains 19.6% of the variance in risk taking.

However, after introducing family culture in step 2, the total variance explained by the 2nd model as a whole is increased to 21.7%, $F(15, 221)=4.084$, $p=0.000$. The results also show that the introduction of family culture into the model explains an additional 2.1% variance in risk taking after controlling for the fourteen variables listed in the table: $R^2\text{Change}= 0.021$; $F(1, 221)=5.814$, $p=0.017$. It is also important to note that as displayed in table 4.28b below, family culture has a negative but significant relationship with risk-taking in Nigerian family businesses. In the final model for risk taking, the following variables show statistical significance, thus influencing the propensity towards risk in Nigerian family businesses: Gender $\beta=0.117$, $p=0.063$; and Non-Family Control $\beta=0.302$, $p=0.002$; and Succession $\beta=0.111$, $p=0.096$.

4.11.3 SBO, Firm Performance and Family Culture

Table 4.29a show two models presenting the results of the regression analyses testing the ability of SBO to predict performance in family-involved businesses. The two models were statistically significant. Paying particular attention to the second model after the introduction of the SBO variable, the total variance explained by the model as a whole is increased to 17.8%, $F(15, 221)=3.194$, $p<0.0001$.

TABLE 4.29a: SBO and Firm Performance (FP)			TABLE 4.29b: Family Culture (IV) and SBO (DV)			
	R ²	R ² CHANGE	F	R ²	R ² CHANGE	F
Model 1	0.151	0.151	2.811***	0.102	0.102	1.805**
Model 2	0.178	0.028	3.194***	0.269	0.167	50.506****
Independent Variables/DV			FP β (t)	FAMILY CULTURE (IV) and SBO (DV) β (t)		
SBO			0.175*** (2.724)	0.427**** (7.107)		
Control Variables			β (t)	β (t)		
Gender			0.047 (0.741)	0.030 (0.502)		
Firm Age			-0.093 (-1.305)	0.020 (0.291)		
Owner's Age			0.034 (0.532)	-0.036 (-0.587)		
Ethnic Group			-0.144* (-2.125)	0.138** (2.188)		
Ownership (Non-Family)			-0.067 (-1.039)	-0.102* (-1.695)		
Management (Family)			0.068 (0.685)	0.047 (0.500)		
Management (Non-Family)			0.103 (1.111)	0.120 (1.373)		
Governance: Control (Family)			-0.064 (-0.603)	-0.033 (-0.322)		
Governance: Control (Non-Family)			0.106 (1.053)	-0.119 (-1.255)		
Governance: Business Decision (Family)			0.141 (1.702)	0.028 (0.357)		
Governance: Business Decision (Non-Family)			-0.118 (-1.136)	-0.060 (-0.613)		
Succession			0.053 (0.778)	0.034 (0.525)		
Employee (Family)			0.018 (0.245)	-0.194*** (-2.833)		
Employee (Non-Family)			0.268*** (3.458)	0.004 (0.054)		
VIF			1.114	1.094		
Tolerance Level			0.330	0.914		

Note: $n = 237$; t values are in parentheses; a variable with ' t ' value < 2 is not part of the model.

*** Significant at the 99% confidence interval (two-tailed);

** Significant at the 95% confidence interval (two-tailed);

* Significant at the 90% confidence interval (two-tailed)

These results indicate a slightly stronger statistically significant relationship between the second model and firm performance.

Table 4.29a below also shows that the introduction of SBO into the model explains an additional 2.8% variance in firm performance after controlling for the fourteen variables listed in the table: $R^2\text{Change} = 0.028$; $F(1, 221) = 7.418$, $p = 0.007$. In the final model, the following variables show statistical significance: two control variables: (Ethnicity $\beta = -0.144$, $p < 0.05$; and Non-Family Employee $\beta = 0.268$, $p = 0.001$); and the predictor variable, SBO $\beta = 0.175$, $p = 0.001$. The findings in this section supports hypothesis 3a which states that small business orientation predicts firm performance of family-involved businesses in Nigeria.

Table 4.29b shows the findings of the regression analyses testing for the ability of family culture to positively influence Small Business Orientation in family-involved businesses.

Model 1 containing the control variables only explains 10.2% of the variance in family culture, and the model is not significant $F(14, 222) = 1.805$, $p = 0.039$. However, after the introduction of family culture, the total variance in SBO explained by the model as a whole, increases to 26.9% $F(15, 221) = 5.427$, $p < 0.0001$. As shown in table 4.29b above, Family Culture on its own contributed approximately 17% to the variance in SBO, $\Delta R^2 = 0.167$; $F(1, 221) = 50.506$, $p < 0.0001$. Hypothesis H3 (ii) of this thesis is thus supported.

Table 4.30 below shows the summary of findings in this section.

TABLE 4.30: Hypothesis Testing Results: Family Culture, EO, SBO AND Firm Performance

	HYPOTHESES	RESULTS
HI	Family culture will positively and significantly predict performance of family-involved businesses in Nigeria.	Supported
H2 (i)	a) Autonomy would significantly and positively predict performance of family-involved businesses in Nigeria. b) Innovativeness would significantly and positively predict performance of family-involved businesses in Nigeria. c) Proactiveness would significantly and positively predict performance of family-involved businesses in Nigeria. d) Risk-taking would not be associated with positive firm performance in family-involved businesses in Nigeria.	H2i(a) Supported H2i(b) Supported H2i(c) Unsupported H2i(d) Supported
H2 (ii)	a) Family culture would significantly influence Autonomy. b) Family culture would significantly influence Innovativeness. c) Family culture would significantly influence Proactiveness. d) Family culture would significantly influence Risk-taking.	H2ii(a) Unsupported H2ii(b) Supported H2ii(c) Supported H2ii(d) Supported
H3 (i)	SBO would positively and significantly predict performance of family-involved businesses in Nigeria.	Supported
H3 (ii)	Family Culture would positively and significantly influence SBO	Supported

4.12 The Moderating Roles of EO, SBO and Dynamism on the Family Culture- Firm Performance Link

This section tests for the respective moderating roles of autonomy, innovativeness, proactiveness, risk-taking (EO dimensions); Small Business Orientation (SBO); and dynamism, on family culture and firm performance. In essence, this study examines the interactional effects of each of the variables listed above on the direction and/or magnitude of the relationship between family culture and firm performance of family-involved businesses in Nigeria, following the below statistical model.

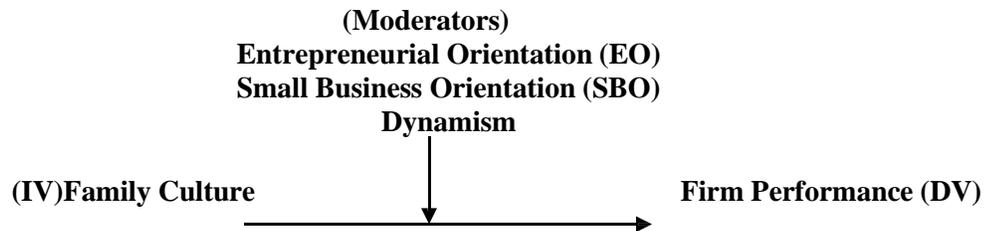


Figure 4.2: The Moderating Effects of EO, SBO and Dynamism on Family Culture and FP

The newly developed Andrew Hayes PROCESS in SPSS was employed in this study to test for moderation effects of these three variables on the family culture-firm performance relationship.

All variables used in this analysis were automatically standardised by SPSS. Multicollinearity is therefore, unlikely to be a problem in this analysis, as the VIF values in each model are well below the recommended figure of 10.

4.12.1 The Moderating Role of EO on the Family Culture-FP Relationship

This section is to test the hypothesis (H2ii) on the moderating effect of each of the dimensions of Entrepreneurial Orientation (EO) on the relationship between family culture and firm performance. This thesis proposes that autonomy, innovativeness and proactiveness, each moderates the relationship between family culture and firm performance in such a way that, family culture have **more intense** influence on **high** performance when each EO dimension is **high** than when they are low. An inverse relationship is being proposed for risk-taking due to the establishment in the literature that family firms are mostly risk averse. Thus, risk-taking moderates the relationship between family culture and firm performance in such a way that family culture is more strongly associated with **low** performance in family-involved businesses in Nigeria when their propensity towards risk is **high** than when it is low.

$$Y = i + (c_1 + c_3M)X + c_2M + e_v$$

X = the independent or predictor variable (Family Culture)

M = Moderator (each EO Dimension)

Y = dependent or outcome variable (Firm Performance)

XM = the interaction term.

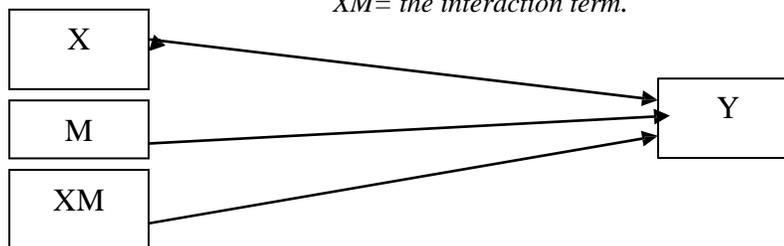


Figure 4.3: Statistical Path Diagram Representing the Moderation Model employed in this Thesis

The results of the moderation analysis using Andrew Hayes PROCESS function on SPSS 17 are presented in table 4.31 below. Contrary to the hypotheses 2iii (b) and (c) of this thesis, family

culture do not have more intense influence on high performance of family involved businesses when innovativeness and proactiveness is high. Interestingly, the results presented in table 4.31 show a negative though, insignificant association between performance and the moderator (innovativeness*family culture interaction) $\beta=-0.014$, $p<0.7$, and also between firm performance and the moderator (proactiveness*family culture interaction) $\beta=-0.017$, $p<0.9$, respectively. The Johnson-Neyman technique showing the conditional effects of family culture on firm performance at different values of the two moderators further confirms that at high levels of innovativeness and proactiveness respectively, family has less influence on firm performance (see appendices 16 and 17). Therefore, Hypotheses 2iii (b) and 2iii (c) of this thesis are not supported and thus rejected.

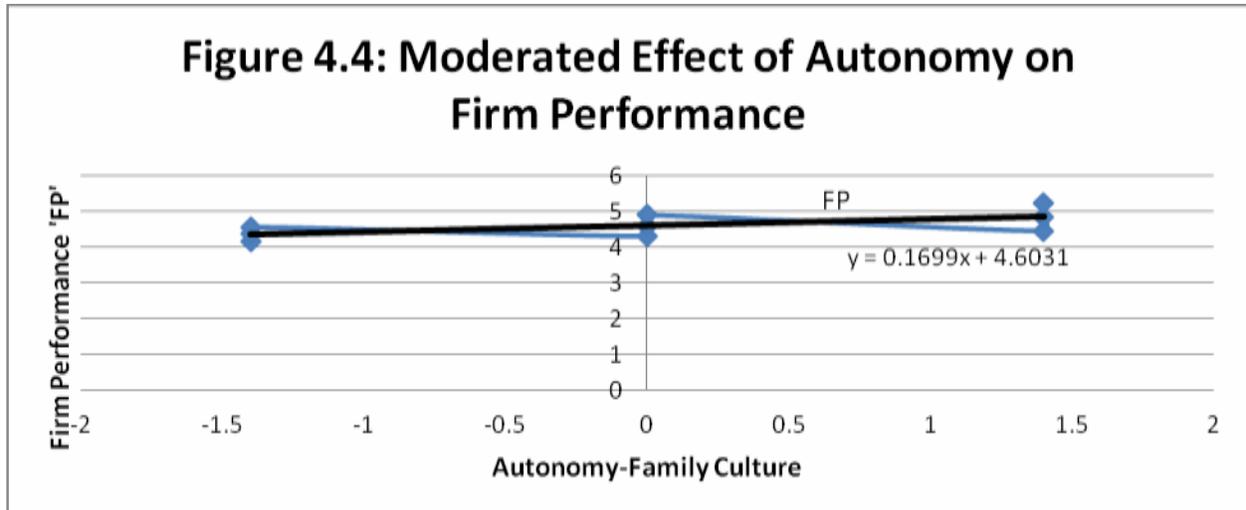
On the other hand, autonomy does have a positive but insignificant effect on the family culture-firm performance link. The moderator (autonomy*family culture) is insignificant on performance in the main model, but using the Johnson-Neyman technique, the conditional effect of family culture on firm performance at different values of the moderator (autonomy*family culture) shows significant and positive effects (see appendix 15).

Table 4.31: Interaction Effects of EO Dimensions, SBO and Dynamism on Family Culture

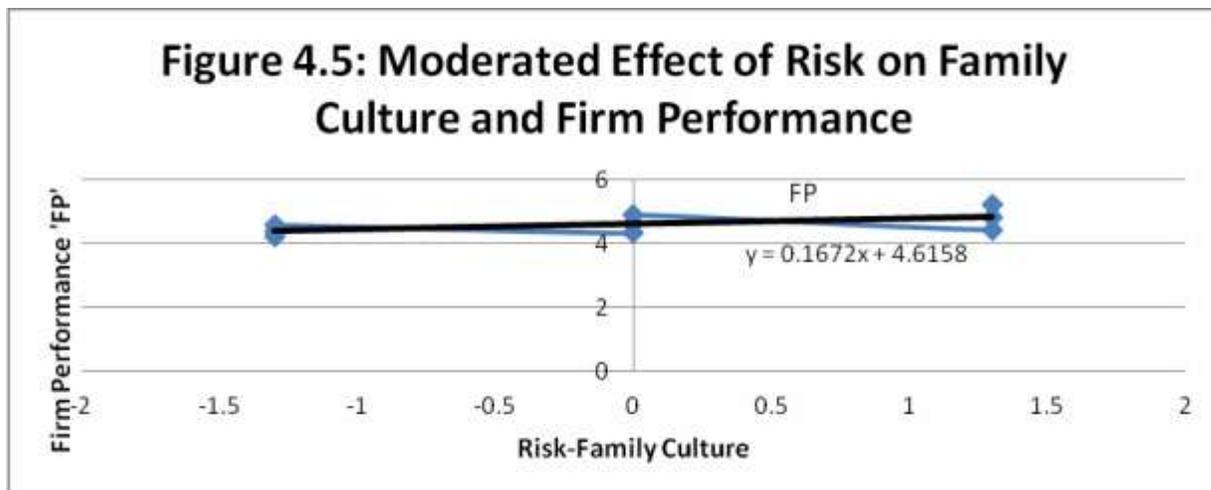
Variables	Model 1 Auto*Famcul	Model 2 Inn*Famcul	Model 3 Proac*Famcul	Model 4 Risk*Famcul	Model 5 SBO*Famcul	Model 6 Dyn*Famcul
Low	0.322*	0.462***	0.464***	0.292	0.480***	0.446**
Mean	0.475***	0.407***	0.444***	0.473***	0.402***	0.490***
High	0.627***	0.351*	0.424*	0.654***	0.325*	0.534**
Int_1 β (t)	0.109 (1.242)	-0.044 (-0.486)	-0.017 (-0.139)	0.140* (2.008)	-0.083 (-0.941)	0.033 (0.347)
Adjusted R ²	0.139	0.118	0.087	0.132	0.081	0.083
F	3.177***	15.483***	8.842***	14.322***	8.158***	8.345***
Observations	237	237	237	237	237	237

Overall, the Johnson-Neyman technique reveals that high levels of autonomy lead to more positive family culture effect on performance. This is displayed graphically in figure 4.4 below.

Hypothesis 2iii (a) is not statistically supported on the main model but has significant support using the Johnson-Neyman technique.



The most interesting finding relating to the moderating effects of the four EO dimensions on the family culture-firm performance link is that of the firms' propensity towards risk-taking. The moderator (risk*family culture) has a significant effect on the main model with a coefficient for the equation (c₃) of 0.140 and statistically different from zero (p<0.05); thus, suggesting that the moderator has a significant and positive effect on the influence of family culture on firm performance. This finding indicates that as the propensity of Nigerian family businesses towards risk-taking increases, family culture has more intense influence on the positive performance of these firms. The Johnson-Neyman technique shown in appendix 18 of this thesis further confirms this significant and positive outcome. However, the finding contradicts the argument of this thesis presented in table 4.26 above. Figure 4.5 below is a diagrammatical representation of the moderated effect of risk on family culture and firm performance.

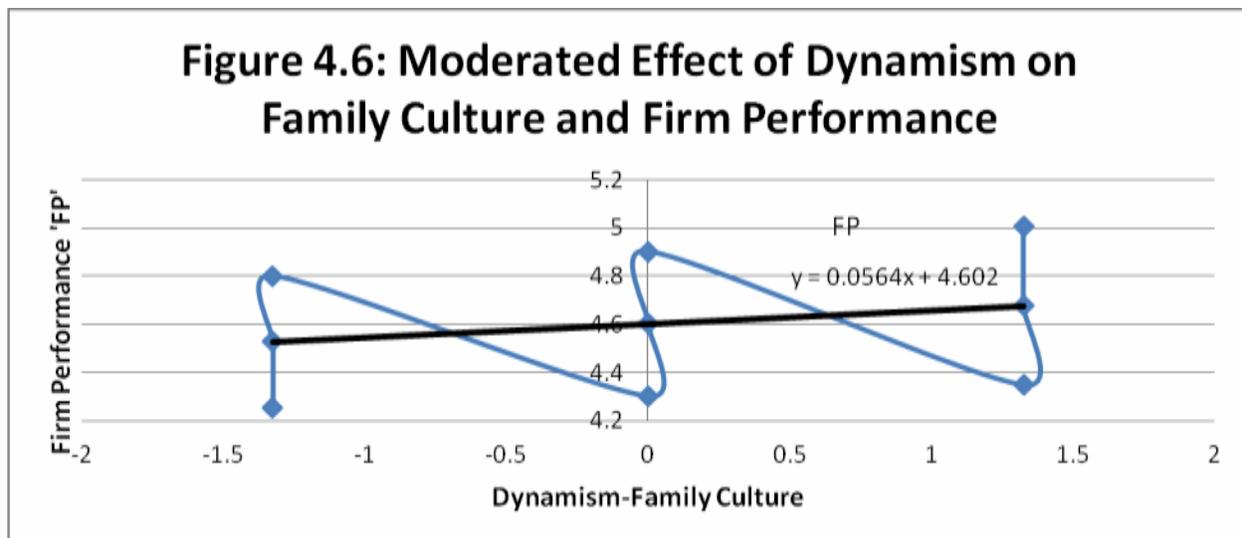


4.12.2 The Moderating Role of SBO on the Family Culture-FP Link

Concerning the moderating effects of Small Business Orientation (SBO), hypothesis 3 (iii) which argues that as SBO increases, the positive relationship between family culture and firm performance is more intense, is not supported. On the contrary, SBO is found to negatively influence the relationship between the predictor and outcome variables ($\beta = -0.083$, $p < 0.5$). The interaction term is also insignificant (see table 4.31 and appendix 19). Therefore, hypothesis 3(iii) is rejected based on this finding.

4.12.3 The Moderating Role of Dynamism on the Family Culture-FP Link

Hypothesis 4 suggests that in a highly dynamic firm environment, the effect of family culture would be less on the performance family-involved businesses. On the contrary, the moderation effect shows a positive but insignificant association using PROCESS ($\beta = 0.033$, $p < 0.8$). Furthermore, using the Johnson-Neyman technique to probe this association further, there seems to be a mild but significant effect on the ascending levels of dynamism on the family culture-firm performance link. This is shown graphically in figure 4.6 below. The detailed conditional effects on this variable on family culture and firm performance as calculated by the Johnson-Neyman technique are shown in appendices 20a and 20b.



Hypothesis 4 is not statistically supported on the main model but has moderate significant support using the Johnson-Neyman technique. The detailed results of the moderation analyses are shown in table 4.32 below. However, a very detailed interpretation of the above moderation effects is done in the chapter on discussion of findings.

TABLE 4.32: Hypotheses Testing Results - Moderated Regression Analysis

	HYPOTHESES	RESULTS
H2 (iii)	a) Autonomy will moderate the relationship between family culture and firm performance in such a way that a firm’s family culture will be more strongly associated with high performance when autonomy is high than when it is low. b) Innovativeness will moderate the relationship between family culture and firm performance in such a way that a firm’s family culture will be more strongly associated with high performance when innovativeness is high than when it is low. c) Proactiveness will moderate the relationship between family culture and firm performance in such a way that a firm’s family culture will be more strongly associated with high performance when proactiveness is high than when it is low. d) Risk-taking will moderate the relationship between family culture and firm performance in such a way that a firm’s family culture will be more strongly associated with low performance when risk-taking is high than when it is low.	H2ii(a) Mildly Supported H2ii(b) Unsupported H2ii(c) Unsupported H2ii(d) Unsupported
H3 (iii)	SBO will moderate the relationship between family culture and firm performance in such a way that a firm’s family culture will be more strongly associated with high performance when SBO is high than when it is low.	Unsupported
H4	Dynamism will moderate the relationship between family culture and firm performance in such a way that a firm’s family culture will be less strongly associated with high performance when dynamism is high than when it is low.	Unsupported

In the next four sections, the results of the sub-sets of the 237 sampled businesses according to their ethnic groups is presented, in order to detect potential peculiarities for distinct family culture among the four major ethnic groups surveyed in this study.

4.13. Classification According to Ethnicity

The descriptive analysis of the ethnicity of the dominant family involved in the surveyed family businesses are presented in section 4.4.1.6 graphically in figure 1 and in tables 4.8 to 4.10. The sampled family businesses are made up of 37.13% (88) Yoruba; 29.11% (69) Igbo; 18.14% (43) Minority Groups; and 15.61% (37) Hausa respondents. Since multiple regression procedures are more effective with a minimum of 50 cases and only two of the ethnic groups met this criterion, correlation analysis, a weaker and less realistic measurement scale in comparison to multiple regression, is employed in this section to tease out the peculiarities in the four ethnic groups. This thesis is therefore not overstating the findings of the correlation analysis.

To this effect, a one-way analysis of variance (ANOVA) was conducted to examine whether there were statistically significant differences among the family-involved businesses in different ethnic groups with regards to their family culture (first) and firm performance (second).

Prior to carrying out the one-way ANOVA analysis, the widely acceptable six assumptions listed in chapter 3 for this type of analysis were checked and satisfied before proceeding with the analysis. The next two subsections present the findings.

4.13.1 Family Culture in Different Ethnic Groups – Comparison

A one-way analysis of variance was conducted to evaluate the null hypothesis that there is no difference in the surveyed family-involved businesses level of family culture of loyalty and commitment to the firm based on their ethnic groups, namely Yoruba (mean=6.1733,

SD=0.07071, n=88); Hausa (mean=6.3356, SD=0.07296, n=37); Igbo (mean=6.1836, SD=0.07013, n=69); and Minority (mean=6.2791, SD=0.10309, n=43). According to the analysis of means, the Hausa ethnic group has the highest presence of family culture in their firm, followed by the Minority group, Igbo ethnic group, and the Yoruba ethnic group with the lowest group mean.

The assumption of normality is evaluated using the skewness and kurtosis scores, and histogram and the normality graph. The initial figures for the skewness and kurtosis in relation to their standard errors do not meet the requirement of z-values in the range of -1.96 to +1.96 across all ethnic groups as specified in Chapter 3, although the normality graphs (Q-Q plots) for the four ethnic groups do not deviate much from normality. A transformation is done for the FAMCUL variable since it is the dependent variable in this correlation analysis which is also a lower grade analysis. A reflected logarithm base 10 transformation (reflect log10) was computed on SPSS for FAMCUL. The transformed variable produced for FAMCUL produced histograms of approximate shape of more normal curves with visual inspection; Q-Q plots (see figures 7a-d in the appendices 21-22) and box plots that show normal distributions for the four ethnic groups with the following figures, Yoruba: skewness=0.289 (SE=0.257), kurtosis=-0.522 (SE=0.508); Hausa: skewness=-0.588 (SE=0.388), kurtosis=-0.807 (SE=0.759); Igbo: skewness=-0.004 (SE=0.289), kurtosis=-0.400 (SE=0.570); and the minority ethnic group: skewness=0.583 (SE=0.361), kurtosis=0.143 (SE=0.709) (Doane and Seward, 2011; Cramer and Howitt, 2004). The kolmogorov-smirnov test shows most of the ethnic groups to be none significant at $p > 0.05$ - Yoruba (0.09); Igbo 0.054); Hausa (0.010) and (0.200). Thus, the assumption of normality is met and found tenable for all the four ethnic groups. The assumption of homogeneity of variances was tested and found tenable using Levene's test, $F(3, 233)=0.494, p=0.687$). The ANOVA

however is not significant $F(3, 233)=0.797$, $p=0.496$, $\eta^2 =0.049$, thus there is a significant evidence to accept the null hypothesis.

It can be concluded that there is no significant difference in the surveyed family-involved businesses level of family culture based on their ethnic groups. This is an interesting finding, especially because Nigeria is a highly cultural nation with three major ethnic groups (Yoruba, Igbo and Hausa) clearly distinct in characteristics, attitude, approach and identity (Mbakogu, 2002; Onwubiko, 1991). Consequently the expectation of this thesis of finding a significant difference in the levels of family culture amongst the three major ethnic group and minority group is quite high.

4.13.2 Firm Performance in Different Ethnic Groups (Comparison)

Similar to the previous section, a one-way analysis of variance was conducted to evaluate the null hypothesis that there is no difference in the firm performance of the surveyed family-involved businesses based on their ethnic groups, namely Yoruba (mean=4.6690, SD=1.08577, n=88); Hausa (mean=4.6520, SD=0.90338, n=37), Igbo (mean=4.6938, SD=1.10158, n=69); and Minority (mean=4.2645, SD=0.97636, n=43). The group means analysis shows the firms with the highest mean performance to be the Igbo group, followed by the Yoruba ethnic group, the Hausas and then the minority ethnic group.

The assumption of normality is evaluated using the skewness and kurtosis scores, histogram and the normality graph. The visual inspection of the histograms shows approximate shape of normal curves across the four ethnic groups. This includes Q-Q plots (see figures 8a-d in the appendices 23-24) and box plots that show normal distributions of the four ethnic groups with the following figures, Yoruba: skewness=0.321 (SE=0.257), kurtosis=-0.192 (SE=0.508); Hausa: skewness=-

0.721 (SE=0.388), kurtosis=1.094 (SE=0.759); Igbo: skewness=-0.021 (SE=0.289), kurtosis=-0.144 (SE=0.570); and the minority ethnic group: skewness=0.147 (SE=0.361), kurtosis=0.363 (SE=0.709) (Doane and Seward, 2011; Cramer and Howitt, 2004). The Shapiro-Wilk's test shows most of the ethnic groups to be none significant at $p > 0.05$ - Yoruba (0.061); Igbo (0.084); Hausa (0.490) and (0.854). Thus, the assumption of normality is met and found tenable for all the four ethnic groups. The assumption of homogeneity of variances is tested and found tenable using Levene's test, $F(3, 233) = 1.072, p = 0.362$. The ANOVA however is not significant $F(3, 233) = 1.821, p = 0.144, \eta^2 = 5.966$. Thus, there is significant evidence to accept the null hypothesis. It can therefore be concluded that there is no significant difference in the level of firm performance in the surveyed family-involved businesses based on their ethnic groups.

The summary of the findings in this section are presented in table 4.33 below.

TABLE 4.33: Hypotheses Testing Results: Levels of Family Culture and Firm Performance in Four Ethnic Groups

HYPOTHESES		RESULTS
H5a	There is a significant difference in the level of family culture in family-involved businesses based on their ethnicity	Unsupported
H5b	There is a significant difference in the performance level of family-involved businesses based on their ethnicity	Unsupported

4.14 Classification according to Gender

An independent sample t-test was conducted to compare the level of family culture and firm performance in male-led family involved businesses and female-led family involved businesses. Prior to carrying out the independent samples t-test, the widely acceptable six assumptions listed in chapter 3 for this type of analysis were checked and satisfied. The next two subsections present the findings.

4.14.1 Family Culture in Male and Female Led Family-Involved Businesses

An independent-sample t-test was conducted to evaluate the null hypothesis that there is no difference in the surveyed family-involved businesses level of family culture based on the gender of whom is leading the firm. The initial descriptive analysis produces the following figures for means and standard deviation of the two groups: Male (mean=6.1717, SD=0.6374, n=166); and Female (mean=6.3357, SD=0.5371, n=71). According to the analysis of means, the female-led family-involved businesses with a mean of 6.3 have a slightly higher level of family culture than the male-led group (the mean for this group is 6.2).

The assumption of normality was evaluated using skewness statistics and the values generated for both groups (male=-1.0 and female=-1.1) were within the acceptable +1 and -1 range, suggesting no outliers in either group. Thus, the assumption of normality is met and found tenable for both gender groups. The assumption of homogeneity of variances was tested and is found tenable using Levene's test, $F(1, 235) = 1.523$, $t = -1.898$, $p = 0.218$). The t-test is significant at both 90% and 95% confidence interval with a p value of 0.05. These results suggest that the level of family culture differs according to the gender of whom is leading a family business. Specifically, the outcome of this analysis suggests when women are leading a family business, the level of family culture in that business might be higher.

4.14.2 Firm Performance in Male and Female Led Family-Involved Businesses

Similar to the previous section, an independent-sample t-test was conducted to compare the firm performance in male-led and female-led family businesses. However, unlike the significant difference in the level of family culture in the two groups recorded in the previous section, firm performance did not produce a significant relationship. The assumption of normality was evaluated using skewness statistics and the values generated for both groups (male=0.257 and

female=0.253) are within the acceptable +1 and -1 range, suggesting no outliers in either group. Thus, the assumption of normality is met and found tenable for both gender groups. The assumption of homogeneity of variances is also tested and found tenable using Levene's test, $F(1, 235)=0.045$, $t=-1.234$, $p=0.832$). The initial statistical report shows a slightly higher mean in firm performance for the female-led family business (mean= 4.7289, SD=1.04133) than the male-led family business (mean=4.5452, SD=1.05279). However, the t-test does not produce any significance for this difference at p value of 0.218. The summary of the findings in this section is presented in table 4.34 below.

TABLE 4.34: Hypotheses Testing Results: Levels of Family Culture and Firm Performance base on Gender

HYPOTHESES		RESULTS
H6a	There is a significant difference in the level of family culture in family-involved businesses based on their gender.	SUPPORTED
H6b	There is a significant difference in the performance level of family-involved businesses based on their gender.	Unsupported

4.15 Classification According To First and Second Generation Control of the Family Businesses

An independent-sample t-test was conducted to compare the levels of family culture and firm performance between first generation and second generation, while controlling the surveyed family-involved businesses. Prior to carrying out this test, the six assumptions on which independent-samples t-test is predicated upon were checked and satisfied. The next two subsections present the findings.

4.15.1 Level of Family Culture Based on the Generation Controlling the Business

An independent-sample t-test was conducted to evaluate the null hypothesis that “there is no difference in the surveyed family-involved businesses level of family culture based on the generation controlling the firm”. The initial descriptive analysis produces the following figures

for means and standard deviation of the two groups: 1st Generation (mean=6.2524, SD=0.59398, n=207); and 2nd Generation (mean=6.0028, SD=0.70115, n=30). The mean difference in the level of family culture between the two groups is 0.25.

The assumption of normality is evaluated using skewness statistics and the values generated for both groups (1st Generation=-1.1 and 2nd Generation=-0.7) are within the acceptable +1 and -1 range, suggesting no outliers in either group. Thus, the assumption of normality is met and found tenable for both groups. The assumption of homogeneity of variances is also tested and found tenable using Levene's test, $F(1, 235) = 0.918$, $t = 2.101$, $p = 0.339$). The t-test is significant at 95% confidence interval with a p value of 0.037. These results suggest that the level of family culture differs according to the generation controlling the family business. Specifically, the outcome of this analysis suggests that the level of family culture is higher when a family business is being controlled by the first generation than when the second generation is controlling it.

4.15.2 Level of Firm Performance Based on the Generation Controlling the Business

Similar to the previous section, an independent-sample t-test was conducted to test the null hypothesis that "there is no difference in the performance levels of the surveyed family businesses based on the generation controlling them". However, unlike the significant difference in the level of family culture between the two groups recorded in the previous section, firm performance does not produce a significant relationship. The assumption of normality is evaluated using skewness statistics and the values generated for both groups (1st Generation=0.229 and 2nd Generation=0.415) are within the acceptable +1 and -1 range, suggesting no outliers in either group. Thus, the assumption of normality is met and found tenable for both groups. The assumption of homogeneity of variances is tested and found tenable using Levene's test, $F(1, 235) = 0.020$, $t = 0.651$, $p = 0.887$). The initial statistical report shows a

slightly higher mean (0.1) in the performance level of businesses controlled by the first generation (mean= 4.6171, SD=1.04692) than the ones controlled by the second generation (mean=4.4833, SD=1.08613). However, the t-test does not produce any significance for this difference at p value of 0.516.

The summary of the findings in this section are presented in table 4.35 below.

TABLE 4.35: Hypotheses Testing Results: Comparisons of Family Culture and Firm Performance According to the Generation Controlling the Family Business

HYPOTHESES		RESULTS
H7a	There is a significant difference in the level of family culture in family-involved businesses based on the generation controlling them.	SUPPORTED
H7b	There is a significant difference in the performance level of family-involved businesses based on the generation controlling them.	Unsupported

4.16 Chapter Summary

This chapter reported the various descriptive statistics and findings of the hypothesised relationships among the various constructs employed in this study. The chapter commenced with reporting the detection and handling of outliers in the family culture variable, absolute skewness and kurtosis values, suggesting an acceptable normally distributed were reported for all variables used in conducting the multivariate analyses.

The chapter then proceeded into giving a broad descriptive analysis of the 237 family-involved businesses used in this study. All the firms are dominantly owned, managed and governed by family members. Most of the firms are limited liability companies (43%) and 89.5% could be grouped as small businesses, while the remaining 10.5% are medium-sized businesses. The service sector dominates the sampled businesses with over 50% of the firms involved with providing professional, technical and low-skilled services.

Typical with studies conducted on small businesses in this region, majority of the family members heading the businesses were males (70%) aged between 35 and 55 years. Most of the respondents (38%) had a minimum qualification of Higher National Diploma or a Bachelors' degree a university. Nigeria, like most countries in Africa, is highly influenced by ethnicity and culture, therefore the businesses were further categorised along the ethnic groups of the families behind them. Majority were from the Yoruba ethnic group (37%), followed by Igbo (29%), Minority (18%) and Hausa (16%). Most of the businesses were funded from personal savings and family funds both at start-up and at the time of data collection; only 0.8% (two firms) of the overall 236 sampled firms have their businesses funded wholly by financial institutions at the point of filling out the questionnaire. The detailed descriptive statistics of the independent (family culture, Entrepreneurial Orientation (EO), Small Business Orientation (SBO) and environmental dynamism) and dependent (firm performance) variables used in this study was also provided.

The next stage was in providing the reliability and validation of the variables. Principal component factor analysis and confirmatory factor analysis were done. Some variables were dropped and several adjustments were made to the dataset before proceeding into multivariate analysis. However, before carrying out the correlation and the regression analyses, some preliminary tests were carried out to check the strength of the relationship between some variables in the dataset.

The findings of the cross-tabulation analyses are as follows. One is that a significant positive association was found between firm age and firm size, suggesting that the two variables were moving in the same direction. Another is that a strong statistically significant relationship was found between the generation managing the surveyed family businesses and the generation

controlling them. Also, a moderate significant association was found between the ethnicity of the business owner's family, firstly, the legal status of the firm and secondly, the academic qualification of the owner and/or manager of the surveyed family businesses. Next, correlations analyses were carried out and the findings showed some significant associations among the variables. Thereafter, regression analyses were conducted to tease out if and the extent to which the following variables will predict the firm performance of Nigerian family businesses: family culture, autonomy, innovativeness, proactiveness, risk-taking (EO dimensions), and SBO.

Family culture, which is presented as a unique and rare source of competitive advantage in this study was found to have a significant positive effect on the performance of family-involved businesses in Nigeria. This is an important finding in a research conducted within an African country, especially because of the values attributed to Africa as a whole. Another area of investigation in this thesis was to confirm the multidimensionality of EO in a new research location. The few researches available on this were mostly carried out in Europe and North America (Rauch et al., 2009). Consequently, there is a need to actually contribute to the growing body of knowledge on entrepreneurial orientation by examining whether EO or certain of its dimensions actually differ across countries, as demanded for consistently in the entrepreneurship literature (Richter, 1999).

Furthermore, the scarce empirical evidence to support the multidimensional nature of the EO construct has been mentioned repeatedly in literature on entrepreneurship (Rauch et al., 2009). Therefore, setting out to empirically examine whether each dimension of EO will have unique relationships with the performance of Nigerian family business was confirmed in this thesis.

Moreover, the findings of the regression analysis presented in table 4.28 above also shows that the dimensions of EO will interact with family culture distinctly in a family business. While all

four EO dimensions shows positive associations with firm performance, only autonomy and innovativeness relationship with firm performance are significant. In regressing these EO dimensions with family culture, family culture is shown to have positive and significant relationship with innovativeness and proactiveness only, while its association with risk-taking, though significant, was negative. The outcome recorded in this thesis supports the argument of Lumpkin and Dess (1996; 2001) that each EO variable might be a unique contributor to both the entrepreneurial nature and the performance of firms.

The findings of this thesis further confirm that within the context of family businesses, families can employ different strategic orientations simultaneously, and this could lead to positive firm performance. Entrepreneurial Orientation, which has a significant empirical support, and the newly developed Small Business Orientation (SBO) construct were two strategic orientations evaluated in this thesis. Both strategic orientations present significant and distinct relationships with the performance of family businesses. This outcome suggests that EO is not the only strategic resource that should be employed by family firms to foster positive performance of their businesses.

Next, the moderating roles of SBO, autonomy, innovativeness, proactiveness, risk-taking (EO dimensions) and environmental dynamism on the family culture-firm performance relationship were investigated. The findings show some significant associations on the family culture-firm performance link. Contrary to this study's prediction, risk-taking, that has been confirmed by several studies (Naldi et al., 2007) and also in this study to negatively affect the performance of family businesses, is found to positively and significantly moderate the relationship between family culture and performance of family businesses. This interesting finding suggests that as the propensity towards risk-taking increases in family businesses, the influence of family culture on

positive firm performance increases. Autonomy is also found to have an increasingly positive, though insignificant moderating effect on the family culture-firm performance link, using the Johnson-Neyman technique. SBO, innovativeness, proactiveness and environmental dynamism do not produce any significant moderating effect.

The last three sections of this chapter (4.13 to 4.15) tested for significant differences in the levels of family culture and firm performance among the four major ethnic groups in Nigeria; the gender of whom is leading the family business; and finally, the generation controlling the family business.

The outcome only shows some significance in the level of family culture based on the gender of who is leading the family business and the generation controlling the family business. These are both interesting findings, particularly gender because Nigeria is a male-dominated economy which is similar across most African nations. Almost all families are headed by men and this role is transferred into their various businesses (Lyman et.al., 1985). Hence this thesis proposes that family culture that enhances firm performance in Nigerian family businesses is higher in businesses controlled by women. The higher level of family culture associated with the first generation of family business owners, managers and control is expected because they are the original visionary of the business, which makes them more aggressive towards the success of the business than subsequent generations. The non-significant association in the level of family culture based on ethnicity is however, surprising because of the huge perceived disparity in the culture of the four ethnic groups investigated in this thesis.

The next chapter (chapter 5) presents the detailed discussion of the overall findings in order to address the study's six research questions.

CHAPTER FIVE: DISCUSSION

5.1 Discussion

This chapter consists of four sections. It contains an overview of how this research is presented and also gives a brief summary and discussion of the main findings of the study.

5.2 Overview of Research

The changes in the global economic landscape, most especially of emerging economies, has made it necessary for family businesses to continuously identify and develop new sources of competitive advantage and to enable them attain and maintain a sustainable superior performance over other forms of businesses. Family businesses are known to have had a significant effect on the business landscape of nations for over 100 years and this remains so till date (Colli and Rose, 2003). Findings of studies over time, especially in North America and Western Europe, suggest that family businesses do outperform their non-family counterparts (Astrachan and Shanker, 2003; Anderson and Reeb, 2003b). Therefore, their importance to an emerging economy like Nigeria cannot be overlooked.

The problem however is that despite the importance associated with family businesses, which has created a general interest in topics like ownership (Anderson and Reeb, 2003a); management and governance (Steier et al., 2004); succession (Sharma et al., 2003); strategic management (Sharma et al., 1997), it is still a growing field of study with lots of gaps that need considerable attention (Chrisman et al., 2008). First, there is still a lack of consensus in the extant literature on a broad and widely acceptable definition for family business. Although continuous effort and substantial progress in addressing this gap has been recorded in this regard, especially by well-established family business scholars domiciled mostly in Northern America and Western Europe,

It still remains an evolving aspect of family business research (Toma and Montanari, 2010; Lumpkin et al., 2008).

Secondly, more effort is needed to address, evaluate and understand the complex nature of family involvement in a family business and the competitive advantages that might be embedded in this relationship. Third, is the lack of flexibility in the evaluation of strategic orientations demonstrated by family firms. This third gap interrogates how being a family business affects decision making, strategic approach/orientation and operation of the firm. The fourth gap is one of the most significant gaps in family business literature, which is addressing both internal and external variables that are influencing the performance of family businesses (Dyer, 2006; Chrisman et al., 2005).

Last and of utmost importance to this thesis is the scarcity of research on family businesses in the African Continent. This gap is an important aspect of family business research that needs to be addressed, because the diversity embedded in the African Continent presents an opportunity to address several dimensions of family involvement that are yet to be tapped into by researches conducted in North America and Western Europe. In most African nations, a broader set of individuals are involved in the family, unlike in Europe and other Westernised nations that are limited to the nuclear family system. The benefits associated with the extended family system and other strong cultural traits associated with this system and its effect on small businesses operating in this region is worth beaming the research light on.

The most tried and true way of broadening the scope of knowledge and encouraging conceptualisations of new theories in a field is drawing on existing theories and cumulative research insights in that field. Consequently, this thesis has adopted a few tried and tested constructs, theories and insights to build a new line of reasoning for family business research in

Nigeria.

Nigeria is the most populous nation on the African continent and also the most populous black nation in the world, with a population of approximately 170 million people. The general agreement is that family involvement in a business is what makes a family business unique (Chua et al., 1999) but the constant focus on a few topics like family ownership, family succession, family governance and family management alone would not completely address the complexity surrounding family business. Therefore, identifying other specific phenomena that makes family businesses different from other forms of business is of utmost importance to the field of family business. The structure of the family system in Nigeria provides an opportunity to identify these other possible important dimensions of family involvement, which might be beneficial to future family business research.

The argument of this thesis is that the future of family business research is highly dependent on new researches which aim at providing deeper knowledge of what constitutes family involvement in a business. Furthermore, the disposition of evolving researches should be towards providing a broader platform to tease out the competitive advantages inherent in family-involved businesses, and Nigeria presents a good research context for that.

Organisational culture has been identified in literature as an important strategic resource needed by any form of business to achieve competitive advantage (Zahra et al., 2004). However, most studies evaluating culture in family businesses are usually focused on comparing organisational culture in family firms and non-family firms mostly in societies and nations with similar cultural traits and tendencies (Denison et al., 2004; Zahra et al., 2004; Vallejo, 2008). Findings from these studies suggest that organizational culture affects the following aspects of a firm: strategic flexibility (Zahra et al., 2008), fostering entrepreneurship (Zahra et al., 2004), predicting

Entrepreneurial Orientation and positive firm performance (Chadwick et al., 2008), and promoting superior financial performance (Barney, 1986; Gordon and DiTomaso, 2007). Dyer (1988) argues that the cultural patterns in family firms might actually be different from that of non-family firms. Denison et al. (2004) also confirms the position of Dyer (1988), in their research, which found that family firms scored higher on all the key elements of their assessment tool for culture when comparing organisational culture of 20 family firms against 389 non-family firms, despite the huge disparity in the sample size of both firms.

These research outcomes strongly suggest that the culture of family businesses might be different from that of their non-family counterpart mainly because in a family firm, the culture phenomenon is associated more with the family behind the business than the firm itself. The family behind a family business is guided by a unique set of values, norms, traditions, and goals which are completely different from those of separate individuals who work together in a non-family business. These set of values and other factors are deeply embedded in the cultural traits of the family which are most likely to have been passed down from previous generations of that family. Bertrand and Schoar (2006) in their theoretical paper suggest that the performance outcome organisations build around is predetermined by a set of norms identified as their culture. Therefore, given the strategic importance of culture (organisational) as stated above, it is being addressed by a broad range of literature and currently gathering considerable attention among both scholars and practitioners in these fields.

This thesis is presenting family culture as an important valuable resource that shares a similar influence on a family firm like the already established components of family involvement in the family business literature namely: ownership, management, succession and governance. Furthermore, it is the exegesis of this thesis that family culture might indeed be an

idiosyncratic organisational process that propels distinct behavioural phenomenon in family businesses. Therefore, the research focus of this thesis in examining the extent to which family culture affects the performance of family businesses in a research location that houses families with diverse cultural traits and practices which are clearly different from those available in the dominant family business literature, would indeed contribute to the existing body of knowledge in family business research.

Furthermore, investigating other factors that might be promoting positive performance of small businesses in an emerging economy such as Nigeria is necessary for the following reasons. One, family business has been established as the oldest form of business in the global economic landscape (Colli and Rose, 2003; Aldrich and Cliff, 2003). Two, it is the most prevalent form of business throughout the world (Sten, 2007). Three, family businesses are found to play key roles in employment, creating new businesses, wealth accumulation, and income generation in developed economies such as Western Europe and North America (Colli and Rose, 2003; Aldrich and Cliff, 2003). Four, there is the success and longevity of prominent family businesses such as Kongo Gumi (Japan), Barone Ricasoli (Italy), Wal-Mart (USA), Tissiman & Sons Ltd (UK), Dantata Organisation (Nigeria). Five, examining family businesses within the context of small and/or medium sized companies is better than the norm of studying older and larger firms that are family owned. Six, there is the importance of identifying what would promote growth and positive performance of small businesses in a country such as Nigeria where about 92.4% of her populace live below two dollars per day (Human Development Report, UNDP, 2006). Recent reports on Nigeria show only a marginal improvement as over 70% of the entire population of Nigeria is currently living below poverty level (Kalu and Nenbee, 2013). Seven and most importantly, there is the need to shed light on how to overcome this exceptionally high poverty

levels which permeates Nigeria and other countries in the sub-Saharan region.

The study of family culture in particular is based on the premise that it has been previously theoretically and empirically associated with strategic flexibility (Zahra et al., 2008) and positive firm performance (Brice, 2013). It has also been addressed at the organisational level by some other researchers (Chirico and Nordqvist, 2010; Zahra et al., 2004) in studies mostly carried out in North America and Europe. However, the influence of family culture on performance at the level of the family firm in privately-owned small businesses which are domiciled in a different cultural setting of multiple ethnic groups operating in a harsh economic climate such as Nigeria is almost non-existent. This is a gap that this thesis has tried to fill. Furthermore, research on family culture is still an evolving line of investigation in family business literature because the presentation of family culture as an embodiment of family influence, though assumed in the dominant family business literature (Zahra et al., 2004), has not been the focus of previous and most current empirical studies.

Next is the argument of this thesis that family culture affects firm performance not only directly but also indirectly by using tried-and-tested strategic orientation constructs, Small Business Orientation and four EO dimensions (autonomy, innovativeness, proactiveness and risk-taking). Environmental dynamism, a well-known and tested construct that measures the rate of unpredictable change in a firm's environment, was also used in this study to moderate the relationship between family culture and firm performance. Consequently, a conceptual framework for this research was developed using five constructs: family culture, Entrepreneurial Orientation, Small Business Orientation, environmental dynamism and firm performance.

Family culture was operationalised using twelve out of the thirteen items presented by Astrachan, Klein and Smyrnios (2002) which focus on the overlap between family and business

values and family's strong commitment to the firm. Specifically, family culture scale measures the following in a *family business*: family influence, shared values among family members, shared values between family and business, family support, family loyalty, trust, total involvement in the family business, long-term benefits, alignment with the business' goals, plans and policies, commitment to the business and its success, creating networks for the business and identifying with the family business.

Entrepreneurial orientation (EO) was measured by adopting the modified scale developed by Lumpkin, Cogliser and Schneider (2009) using only four (innovativeness, autonomy, proactiveness and risk-taking) out of the five EO dimensions due to the removal of the fifth dimension (competitive aggressions) during EFA carried out on the EO construct). The authors present EO as a multidimensional scale and this approach was followed in this thesis. Small Business Orientation (SBO), a newly developed construct was measured using two main themes: purpose and goals; and emotional attachment. Environmental Dynamism has three items which were adapted from Casillas, Moreno, and Barbero (2010): rapid changes in marketing of products, demand for goods, and the difficult business climate of that location. Lastly, firm performance was measured using subjective measures of profitability, changes in employee size, sales revenue and market share of the business both by comparing the business with its previous performance and also with the firm's competitors.

The research location of Nigeria was chosen because of these reasons. One, it is listed as the largest economy in Africa (2014–15 World Economic Forum, Global Competitiveness Report). Two, it is the most populous nation in Africa (World Bank, 2014) and 7th largest in the world (UNFPA, 2011), with a current population of over 180 million people (www.worldometers.info and countrymeters.info). Three, the population of Nigeria is also more diverse than that of other

African countries and might be the most ethnically diverse country in the world. Four, several factors have been identified as barriers to the successes of small businesses in Nigeria, some of which are corruption, poor infrastructure, lack of financial support (Okpara and Wynn, 2007), and inadequate access to financial resources (Yusuff et al., 2011). Five, research on family business is grossly under-represented in Nigeria. Six, Nigeria provides the platform to contextualise family involvement in a business on a broader scale. Seven, knowing the factors that affect the performance of family business in Nigeria is important for the survival of those businesses because of the widely held speculation that most family businesses in Nigeria die with the founder. Eight, there is the importance of studying small businesses under the control of the family in an emerging economy such as Nigeria, since small businesses have been established in extant literature as the main driving force of economic growth, job creation in developed economies (Chrisman et.al., 2010; Aldrich and Cliff, 2003) reduction in the level of poverty in some developing countries. Nine, there is the need for practitioners and scholars to understand family culture in a multi-ethnic system such as Nigeria and its corresponding effect on firm performance. This would provide new insights to the body of knowledge on family business. Ten, it is highly important to determine and also know whether the well-tested and widely used constructs in studies mostly carried out in North America and Western Europe are valid in a new research location which is non-Western. Eleven, there is the importance of drawing the Nigerian government's attention to the lack of specific and sustainable policies for family businesses operating in the country. Lastly, also important to family business scholars and practitioners is how family businesses survive in a country such as Nigeria that is considered to be a failed state Umezinwa, 2012.

Using the criteria listed in the methodology chapter, a sample of 240 family businesses was drawn from the database provided by Small and Medium Enterprises Development Agency of

Nigeria (SMEDAN) in their Lagos Office. SMEDAN provided information on the most recently available dataset of SMEs in Nigeria and they are considered to currently have the most comprehensive list of SMEs in Nigeria.

The study analysed the collected data in the following ways: using regression analysis to draw out the direct relationship between family culture and firm performance, between four EO dimensions and performance of family firms, and between SBO and performance of family firms; the direct relationship between family culture and EO, and family culture and SBO; the indirect relationships between family culture and firm performance using EO, SBO and environmental dynamism as moderating variables. The differences in means of family culture and firm performance were also analysed based on ethnicity, gender and the generation controlling the business, using one-way ANOVA and independent-samples t-test. It is also important to mention that a comprehensive descriptive statistics was provided on the surveyed family businesses because of the dearth in literature on the research location. Consequently, no restriction was placed on industry type, business age, sources of finance, registered and unregistered businesses. The summary of research findings are presented in section 5.3 below.

5.3 Summary of Research Findings

This section summarises and discusses the study's findings according to the research questions set and outlined in chapter one of this thesis. The five main broad objectives of this thesis were considered and used to set the research questions and formulate its hypothesis thereafter. The research questions were set to investigate:

- i. the direct influence of family culture on the performance of Nigerian family businesses;
- ii. the direct influence of two seemingly opposite strategic orientations – Entrepreneurial Orientation (EO) and Small Business Orientation (SBO) – on the performance of

Nigerian family businesses;

- iii. the moderating effects of these two strategic orientations – EO and SBO – on the influence of family culture on the performance of Nigerian family businesses;
- iv. the moderating effect of environmental dynamism on the influence of family culture on the performance of Nigerian family businesses; and
- v. the significant difference in the levels of family culture and firm performance based on the following variables: ethnicity, gender and the generation controlling the business.

5.3.1 Research Question 1 – Family Culture and Firm Performance (FP)

Does family culture influence the performance of family businesses in Nigeria? To address research question 1, the first hierarchical regression analysis was conducted controlling for other components of family involvement measured in this thesis, ownership, management, succession, governance, and family employees. The results showed a positive linear relationship between family culture and firm performance without the influence of the other major components of family involvement, thus supporting hypothesis 1 of this thesis.

The positive and significant statistical outcome ($\beta = 0.277$, $p < 0.000$) between family culture and firm performance as predicted suggests that Nigerian family businesses enhance their performance through embracing the values of the family behind the business and also by a strong commitment of the family to the business (Dyer and Handler, 1994). Although studies on the direct influence of family culture on firm performance are very limited in the family business literature, studies on organisational culture in family firms have produced positive statistical findings in the past (Zahra et al., 2004; Denison et al., 2004; Chadwick et al., 2008; Vallejo, 2008). Closer to the measures of family culture employed in this study, Zahra et al. (2008) used ‘family culture of commitment’ to determine the ‘strategic flexibility’ of 248 family firms and

found a positive and significant association between the two variables. Brice (2013) in his study of 149 family firms in Ukraine and the USA found a positive correlation between six attributes of firm's culture 'that centred on family values and belief systems' and firm performance. None of these previous studies has however addressed the research location, but the conclusion reached in each study hovers around the positive influence that culture (family or organisational) has on firm performance. The distinct contributions of this study on family culture are as follows. First is the measures of family culture which are centred on family values and its alignment to values of the firm, and most importantly, the ten items measuring commitment with the following themes: family support, family loyalty, trust, total involvement in the family business, long-term benefits, alignment with the business' goals, plans and policies, commitment to the business and its success, creating networks for the business and identifying with the family business. Second is the study of family culture in privately-owned small and mid-sized family firms in Nigeria. Third is evaluation of the direct relationship between family culture and firm performance of family firms within an under-researched location. Fourth is a considerable number of direct responses from surveyed firms highlighting the specific cultural traits that they consider important to the growth of their businesses. These include the importance of family values, interdependency of family members, family tradition and family commitment to the growth of their family businesses.

Specifically, within the Nigerian context, this thesis has been able to broaden the scope of knowledge on family involvement through confirming the positive and significant influence of family culture of the major ethnic groups in Nigeria (Yoruba, Igbo and Hausa) and the minority group on the performance of family businesses. The outcome of this thesis is important in multiple folds:

- 1) The positive influence of family culture on the performance of Nigerian family businesses crosses the barrier of the complexities that surround the diversity associated with ethnicity in Nigeria. This is an important and interesting finding because ethnicity in Nigeria is shrouded with backwardness and cultural practices that discourage growth and progress (Umezina, 2012; Mbakogu, 2002).
- 2) The positive outcome of family culture which measures the values of the family behind a family business amongst other variables suggests that value system of Nigerian families may be able to overcome the numerous barriers that have hitherto been identified as being responsible for the failure of small businesses in Nigeria.
- 3) The items in the family culture construct which include values, loyalty, trust, commitment, identification with the family business, interdependency, stability, and commitment are viewed as important within the Nigerian Family system. The mean values of each of these items range from 5.8 to 6.5 on a likert scale of 7. This confirms the high premium placed on these cultural traits in Nigeria. To support this empirical finding are examples of some of the statements extracted from the responses given to the open-ended question asked in the research instrument: “Can you tell me the factors that you consider important for fostering growth in family business in comparison with non-family business?”

The daughter of owner of Company 16 says that ‘family values, alignment of family members with the firm’s goals, commitment of family members and trust among family members’ are important.

The owner of Company 15 also listed ‘self-discipline’ as part of the factors.

The daughter of the founder of Company 75 listed the following: ‘trust, honesty, dedication, innovation, family values, family culture, discipline and dedication.

The owner of Company 2 mentioned ‘trust, unhindered commitment to the family business’ as part of the factors.

The owner of Company 11 also mentioned ‘unhindered commitment to the business, quick decision making’ as part of their success factors.

The owner of Company 14 listed the following: ‘commitment, loyalty, security, friendly environment and career prospect’.

The owner of Company 20 listed ‘loyalty among family members, total commitment from family members, trust’ as important success factors in family businesses.

The son of the founder of Company 23 listed ‘discipline and integrity’ as key factors.

Commitment, loyalty, family values, discipline were the recurring factors mentioned by the founders and descendants of the family businesses surveyed. These important indices of culture have also been empirically linked with the national culture of Nigeria, using some of Hofstede and Hofstede dimensions of national culture. In their 2005 publication on national culture of 57 countries, using scores collected directly from the IBM database, Hofstede and Hofstede rank Nigeria (as a key West African Country) as follows:

- a) High in Power Distance Index (PDI): This depicts dependence relationships in a country. Here, it is the norm for one to see inequalities among people. Status should be balanced with restraints. Less powerful people such as children should be dependent on their parents. Parents should teach their children values such as obedience. Nationally, countries with high PDIs are also linked to high corrupt practices (Hofstede and Hofstede, 2005). Corruption is top on the list of current issues plaguing Nigeria (Umezina, 2012; Okpara and Wynn, 2007). It is the topic on all forms of media domiciled in the country, most especially the print media. Transparency International (a non-governmental organisation located in Berlin, Germany) recently ranked Nigeria as the third most corrupt nation in

West Africa (after Guinea and Guinea Bissau) and 136th most corrupt in the world (Sunnewsonline.com, December 14, 2014).

- b) Collectivism: Nigeria is considered to be a collectivistic nation. Hofstede and Hofstede (2005) also suggest that countries with high PDIs mostly exhibit collectivistic cultural traits. In collectivism, obligations to the family are seen as ritual. Harmony and loyalty to the family and its goals are sacrosanct. Resources are shared. Countries like this operate the extended family system which is typical to Nigeria. Patriarchal structures are in place with family heads exercising strong moral and emotional hold on other family members (Hofstede and Hofstede, 2005).

Although, high PDI and collectivism were linked to low poor performance indices by Hofstede and Hofstede (2005), they tend to promote survival and resilience of family involved businesses in Nigeria. This is because it has been shown empirically in this thesis that strong family culture would impact significantly on positive firm performance. In addition to this empirical outcome, the growth indices listed by a large percentage of the 240 family business owners and/or managers (in response to an open-ended on same) lend a huge support to the key themes of the family culture construct employed in this thesis.

- 4) The Extended Family System Operating in Nigeria: The extended family is a group of people that are closely related by blood and marriage (Lorimer and Lechner, 1995). A typical example of a Nigerian extended family consists of a nuclear family (which includes a man, his wife and children), then his parents, siblings, his siblings' families, his wife's family etc. It is a very wide circle of people linked by blood and marriage, who are expected to share both rights and obligations.

The Nigerian extended family system is known for impacting and transferring knowledge

to the next generation (Ekeopara, 2012). They provide the required nurturing that is required by children as they prepare them for the future. The extended family system provides the right platform to teach children commitment, obligation, loyalty, important family values, good reputation, delayed gratification and discipline, from the moment these children become aware of their immediate environment (Ekeopara, 2012; Hofstede and Hofstede, 2005; Obayan, 1995). These virtues that are expected in Nigerian children are deeply rooted in the culture of individual Nigerian families. Consequently, the strong backbone of the Nigerian extended family system that has span across different generations (Ekeopara 2012) might be responsible for the ability of some family businesses to overcome the negativity prevalent in the Nigerian economy.

Generally, extant literature on family culture identifies the following factors as its essential traits: high level of family involvement, strong identification with the family, strong commitment to the family's goals and vision, harmony, long-term orientation (Vallejo, 2008); and family values (Sharma et al., 1997). It is however important to mention that family values are recurring issues in most studies on family culture.

Therefore, empirically and theoretically, the underlying factors of family culture discussed above are presented in this study as important strategic resources which might provide a competitive platform on which family businesses can build a superior performance. Furthermore, it is opined that the intrinsic valuable resources that each family would bring into their business (Barney, 1986) might further strengthen the non-imitability of their family culture, thus differentiating them from other forms of businesses. This is clearly shown through the Nigerian extended family system and their distinct cultural traits.

5.3.2 Research Questions 2 – EO, Firm Performance (FP) and Family Culture

a) Which of the four dimensions of entrepreneurial orientation (autonomy, innovativeness, proactiveness and risk taking) employed in this study influences the performance of Nigerian family businesses?

b) Does family culture influence any of the four EO dimensions?

c) Which of the four EO dimensions moderates the influence of family culture on firm performance?

In entrepreneurship studies, a firm's Entrepreneurial Orientation (EO) is a well-defined concept that has been widely used in the past few decades in extant literature (Casillas and Moreno, 2010; Lumpkin et al., 2009). EO represents the strategic making process adopted by organisations with a basis for entrepreneurial decisions and actions (Lumpkin and Dess, 1996). In most researches on entrepreneurship and management, EO is mostly presented as a unidimensional construct in line with its formation and initial empirical investigations (Miller, 1983; Covin and Slevin, 1989). However, Lumpkin and Dess (1996 & 2001) have argued that EO should be considered as a multidimensional construct approach in order to build a rich theoretical framework for exploring the relationship between EO and organisational performance. Consequently, this study has adopted the multidimensionality approach to empirically evaluate the influence of the individual EO dimensions in a family business. This is because each EO dimension could form distinct interactions with other variables in an empirical research.

In this study, using a sample of 237 respondents, EFA and CFA were employed to address research question 2. As described in chapter 4, four of the five dimensions of EO loaded

perfectly when PCA was used as a method of extraction in the EFA. They are innovativeness, autonomy, proactiveness and risk-taking. The item representing competitive aggressiveness was problematic and thus was removed from the scale.

The objective of this thesis was to find out which EO dimensions would influence the performance of Nigerian family businesses and how. This study went further to evaluate how individual EO dimensions would influence the relationship between family culture and firm performance.

Hierarchical regression analysis was first carried out to evaluate the effect of innovativeness, autonomy, proactiveness and risk-taking on performance. The results supported Hypothesis 2a (i) and 2a (ii) but did not support Hypothesis 2a (iii) and 2a (iv).

This finding confirms Lumpkin and Dess' (1996; 2001) position that the dimensions of EO might be independent from each other and may vary independently in a given context which may include but not limited to location, type of firm being researched, and research framework. For example, besides the single item of competitive aggressiveness that did not present good loadings at the initial stages of Exploratory Factor Analysis (EFA) and so had to be dropped, some other items were dropped from the three other EO dimensions (autonomy, innovativeness and risk-taking) due to problematic loadings. Proactiveness was the only EO dimension that retained its four items after carrying out both exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). Overall the initial 18-item EO scale was reduced to 11. This indicates that these specific EO items might not be suitable in the context of Nigerian family businesses. The EFA and CFA results also lend support to the multidimensionality of the EO construct and the independence of each of its dimensions.

In the context of this study's sample, the findings of the regression analysis showed only

innovativeness and autonomy as the two EO dimensions that demonstrated significant and positive association with the performance of family-involved businesses in Nigeria. The platform to compare these findings within this study's research context is very limited. This is because the few studies on EO in Nigeria evaluate its association with export orientation (Ibeh and Young, 2001; Okpara, 2009), business environment (Alarape, 2009), and growth performance (Alarape, 2013). A recent study on 511 SMEs in Kano, Nigeria, by Shehu and Mahmood (2014) however is on EO (unidimensional) and firm performance, and a positive significant relationship was found between the two variables. Nevertheless, Alarape (2013) reports an inverse relationship between EO (unidimensional) and growth performance of SMEs in the south-western part of Nigeria.

In Western countries, on the contrary, the EO-performance relationship has been widely examined, but most of these studies follow Covin and Slevin's (1989) belief that it represents a unidimensional construct. In these studies, all the dimensions of EO are summed up before carrying out any analysis on same. Some examples of such studies are worth noting. Chadwick et al. (1999) studied 535 banks in the US and found a stronger relationship between entrepreneurial banks and firm performance than between conservative banks and firm performance. EO is found to have a strong positive influence on performance by other researchers such as Wiklund and Shepherd (2005) in their study of 413 Swedish micro-enterprises. Covin et al. (2006) report a positive significant relationship between EO and sales growth in 110 manufacturing firms in the US. Other examples include Zainol and Ayaduria (2011) (when studying 162 Malay family firms); Zainol et al., 2012 (in their report on a secondary data collected on Bumiputera SMEs in Malaysia); Welsh et al., 2012 (in their study of 245 family and non-family micro-enterprises in Malaysia); Krauss et al., 2005 (in their study of EO at individual-level of 248 Southern Africa business owners); Ferreira et al., 2010 (report a

positively significant relationship between EO and growth in their study of 168 Portuguese firms).

The few studies that used EO in a multidimensional context present the following. Lumpkin and Dess (2001) in their study of the independence of two EO dimensions – proactiveness and competitive aggressiveness – in their assessment of 124 executives from 94 firms report a strong positive relationship between proactiveness and firm performance but an inverse relationship between the competitive aggressiveness and firm performance. Casillas and Moreno (2010) studied 449 small and medium-sized companies in Spain and found only two dimensions of EO innovativeness and proactiveness to have a statistically positive relationship with company growth. Naldi et al. (2007) in their research on 889 Swedish family firms confirm the independence of risk-taking dimension of the EO construct but found it to be negatively related to perceived performance. Casillas et al. (2010) report a significant relationship with company's growth only with innovativeness in their study of 449 Spanish majorly family firms.

Kraus et al. (2011) in their study of 164 Dutch SMEs found only one – proactiveness – of the three EO dimensions employed in their study to have a significant positive association with performance. Innovativeness and risk-taking do not show any significance. Fairouz et al. (2010) found the three EO dimensions (proactiveness, innovativeness and risk-taking) to have positive and significant relationship with market share growth. Boohene et al. (2012) present an interesting finding of significant positive relationships between the five EO dimensions (innovativeness, autonomy, proactiveness, risk-taking and competitive aggressiveness) and firm performance in their study of 118 auto artisans in a sub-urban area in Ghana. Price et al. 2013: find innovativeness to be a key predictor of firm performance in both family and non-family businesses in their study of 430 SMEs in Barbados. Hughes and Morgan (2007), using a

multidimensional approach that employed all five EO dimensions to investigate the relationship between EO and customer performance in 211 young technology UK firms, find that only innovativeness and proactiveness have statistically significant and positive associations with customer performance; risk taking has a negative and significant association, while the remaining two dimensions (autonomy and competitive aggressiveness) do not generate any statistically significant relationship.

Autonomy has not enjoyed as much support in the literature as innovativeness as an independent predictor of positive firm performance in family firms. However, this study finds a strong and significant association between autonomy and performance in Nigerian small and medium family businesses. Autonomy, which is defined as an important component of EO, represents a firm's independence and freedom of action to create new opportunities, products and/or services (Lumpkin and Dess, 2001). It gives room and access for individuals within a firm to be self-directed, creative, innovative, to pursue opportunities and exercise the freedom to create opportunities that would encourage entrepreneurial processes (Hughes and Morgan, 2007). Therefore the role of autonomy in decision-making is a fundamental requirement for entrepreneurial activity to occur in a firm.

In the context of Nigerian family businesses, autonomy resides in the family's culture of open communication among family members, unrestricted access to information and transfer of tacit knowledge from the older generation, nurture and training of younger family members (Ekeopara, 2012), positioning the young as leaders in the business and often times making them assume positions of authority within the business in the event the founder's absence, protecting family secrets from non-family employees and maintaining decision making only within the family circle (Ekeopara, 2012; Nafziger, 1969). The literature on the Nigerian family system also

explains the importance of keeping family values, identity and secrets which helps individual families (both extended and nuclear) maintain their autonomy (Obayan, 1995).

Furthermore, the strong tradition of Nigerian family members conferring together on key business decisions based on shared trust, history, loyalty, interdependency on each other's efforts and commitment to the business might be fundamental to the positive influence of autonomy on firm performance within this research context. Lending support to our finding, Braidford et al.'s (2014) report from their interviews of 40 family businesses in the UK. The advantages of trust, loyalty and similar way of thinking among family members, flexibility, and the ability to respond to challenges were listed by the respondents as factors responsible for their firms' autonomy. This UK based research also report that small businesses view autonomy from external and internal pressures as their most important advantage.

In the present study, low mean scores of 3.57 and 3.10 respectively (on a scale of 7) were recorded for the two retained items under autonomy (see below). This suggests that most of the respondents disagree with the statements. This confirms our earlier position that most key and important business decisions are made by the family, and this has made a positive impact on their business performance.

The following are findings on autonomy in this study.

A1: The business supports the efforts of individuals and/or teams that work autonomously as compared with requiring individuals and/or teams to rely on senior managers to guide their work.

A2: The managers of this business believe that best results occur when individuals and/or teams decide for themselves what business opportunities to pursue (rather than when the CEO and top managers provide the primary impetus for pursuing business opportunities).

Most importantly, the low mean scores on these two autonomy items generated a significant association with positive firm performance in the surveyed family businesses. This is an interesting find, especially because apart from the dearth of literature on autonomy as an independent measurement of firm performance. Most studies reviewed (above) do not find any statistically significant support for the two variables autonomy and firm performance. Plausible explanation for the positive outcome in this study might include but not limited to: the ample opportunities given to individual family members to learn the secrets of the family business and subsequently develop the required skill to make individual business decisions, and the exposure and access given the individual family to occupy key positions within the family business as part of their training. In addition, also supporting the above argument, one of the founders of Company 2 mentioned, ‘the promotion of self confidence in individual family members through the support and backing they receive from the family with regards to their role within the family businesses’ as one of the advantages of family businesses above their non-family counterparts in their questionnaire. Therefore, in the Nigerian context, family businesses encourage and promote autonomous decision making process within the owner-family and discourage outsiders from partaking in this process.

Furthermore is the presence of this greater flexibility among family members facilitates active and reactive response to change within the environment. This may be responsible for the positive association between autonomy and firm performance in this present study. In support of this thesis’ finding, Yu et al. (2012) report a positive association between autonomy and firm performance in 57 US family firms but an inverse relationship between the two variables among 81 Taiwanese firms. Based on Yu’s et al.’s (2012) findings, some other factors such as research location (as showed in their comparative study) might also be responsible for the significant

relationship between autonomy and firm performance (Lumpkin and Dess, 1996). This thesis's findings therefore suggest that the presence of autonomy in family firms accord them the desired authority and control to make quick, efficient and effective decisions (Chrisman et al., 2009) which can subsequently affect the performance of their businesses positively.

Next, this study investigated the relationship between family culture and autonomy. The finding as shown in table 4.29b do not report a statistically significant association between the two variables. This insignificant outcome between family culture and autonomy is not expected because of the peculiarity of the Nigerian culture. The culture of Nigerian families encourages strong identity with the family and loyalty among family members (Obayan, 1995) such that decisions taken within the family remain within the family.

Furthermore, the nurturing and training given to the next generation by elders in the Nigerian family system (Ekeopara, 2012) is to prepare them for future occupying of their rightful positions within the family and their businesses. This would ensure that those in the next generation are not dependent on non-family members for guidance, thus reinforcing the strength of family ties and avoiding external finance and non-family investors. The goal of keeping the business and its tacit secrets within the family should drive the passion for autonomy in Nigerian family businesses.

The Johnson-Neyman technique was used to investigate the moderating effect of autonomy on the relationship between family culture and firm performance. The findings show an increasing level in the interaction between family culture and firm performance as autonomy increases. Although, the moderating effect is statistically insignificant, it provides support for previous finding on the importance of autonomy in Nigerian family businesses.

Innovativeness is an EO dimension which, from studies carried out across different nations, is known to be consistent as an important predictor of performance in both family and non-family firms (Casillas and Moreno, 2010; Casillas et al., 2010; Boohene et al., 2012; Fairouz et al., 2010; Price et al., 2013). Innovativeness reflects a firm's ability and openness to engage in and support new ideas, novelty, experimentation and creative processes that may result in new products and services (Lumpkin and Dess, 1996). Small and medium-sized companies have been recognised for their important roles in economic development across major countries in the world and this is mainly due to their aggressive involvement in creating new enterprises, entering new markets, typically employing more than 40% of most countries' industrial workforce and generating a considerable percentage of the output of the sectors they belong to. Hence, the link between SMEs and innovativeness is very clear.

Similarly, family businesses are known to be prevalent among privately held firms and also occupy a large fraction of publicly held firms (Bertrand and Schoar, 2006). They are known to be actively involved in employment and income generation across all sectors of the economy of different nations (Colli and Rose, 2003). This overlap between the operations of SMEs and family businesses is why many entrepreneurship and management scholars and practitioners assert that family businesses are the most dominant form of businesses among SMEs (Astrachan and Shanker, 2003; Chrisman et al., 2005; Price et al., 2013). The use of innovativeness to achieve positive firm performance by both forms of business is therefore understandable. Most families are constantly drawing on resources embedded within the extended family system to ensure the survival of their businesses. This is because family businesses in Nigeria operate in an environment that does not encourage growth (Okpara and Wynn, 2007).

Furthermore, the desire of family patriarchs to leave a legacy for their next generation can also

drive innovativeness in Nigerian family businesses because failure would not be considered as an option. This study went on to investigate the influence of family culture on innovativeness. As expected, a positive and significant relationship is found between the two variables. Family culture, as argued earlier, is a unique resource that could assist a family business establish and maintain a competitive advantage over other forms of firms through the transfer of family values, norms and/or traditions, tacit knowledge, long-term orientation. These cultural traits have been known to drive creativity, innovation and subsequently ensuring the survival of businesses across different generations (Lumpkin et al., 2008). The involvement of multiple generations in decision making within family firms is an important driver of innovativeness (Zahra, 2005).

Zahra (2005) also argues that innovation requires diverse knowledge base; thus, if multiple generations' participation is encouraged, more innovative ideas would be introduced into the business via the strong bond embedded in the family system. Family meetings is a ritual within the Nigerian family system, decisions are mostly taken collectively among family members. Although most meetings are steered by the family head, all members of the family are expected to be in attendance. This is one of the cultural practices of the Nigerian family system that is oftentimes transferred to businesses owned and managed by the family. The collectivism cultural trait found in Nigerian families also encourages innovativeness such that all family members are constantly looking for creative ways to grow the family business, since its survival is a joint responsibility.

The Johnson-Neyman Technique does not yield any significant moderating effect of innovativeness on the family culture-firm performance relationship as expected. The insignificant moderating effect of innovativeness on the family culture-firm performance relationship is unexpected because of the established role of innovativeness on positive

performance in the entrepreneurship literature.

Proactiveness is the process of anticipating and acting on future needs by tracking and monitoring changes in the business environment, consumer tastes and technologies (Lumpkin and Dess, 2001). Venkatraman (1989) described proactiveness as an essential entrepreneurial attribute needed in uncertain business environments. It enables entrepreneurial business owners to identify and explore environmental opportunities through a more active search for information that makes them outperform their rivals (Lumpkin and Dess, 2001).

In the context of entrepreneurship and family business, adequate support is found for a positive association between proactiveness as an independent EO construct and firm performance (Kraus et al., 2011; Lumpkin and Dess, 2001; Fairoz et al., 2010; Boohene et al., 2012; Casillas and Moreno, 2010).

In the context of this research, however, proactiveness shows a weak non-statistically positive relationship with firm performance. This is not an expected outcome because of the forward-looking role that proactiveness plays in a firm. This finding could be attributed to perhaps the research location which reflects the extent of proactiveness displayed by the surveyed family businesses. This thesis' expectation of a significant relationship between proactiveness and positive firm performance of Nigerian family businesses is premised on the peculiarity of their environment. The harsh economic conditions under which Nigerian family firms operate can promote proactiveness. The position of this thesis is that Nigerian family businesses would constantly be anticipating and acting on future wants and needs in their marketplace in order to grow their business. Furthermore, the strong family ties that exist within the Nigerian family system would also ensure that all opportunities that are available through both the nuclear and extended family systems are fully tapped into by the family firm.

As expected, there was a positive and significant relationship between family culture and proactiveness. The positive and significant association found between family culture and proactiveness ($\beta=0.168$, $p=.010$) in this study suggests that Nigerian family firms with a reasonable level of family culture take adequate initiative, using both family and business values to the advantage of their firm. This is another interesting and significant finding in this thesis. The positive association between these two variables would perhaps support the argument that, in a firm with a high level of family culture, there is a strong affective commitment of the family to the business which might propel it towards actions and steps that would place the firm ahead of competitors. This also has the support of family business scholars who have consistently identified proactiveness as one of the most important EO dimensions within the family business context (Casillas et al., 2010; Naldi et al., 2008; Nordqvist et al., 2008). Kreiser et al.'s (2010) finding that proactiveness might be stronger in cultures that place more emphasis on group (rather than individual) accomplishment is another good explanation for why proactiveness is being significantly influenced by family culture in the Nigerian research context. This is because the position of a group accomplishment culture is strong among Nigerian family businesses (Hofstede and Hofstede 2005). Therefore, if the following collectivist cultural traits of harmony, strong ties, and sharing of resources are encouraged among family members and other employees within the family business, the firm might in turn demonstrate a stronger tendency towards being proactive in its day-to-day activities. On the other hand, proactiveness is not found to moderate the influence of family culture on firm performance in this thesis.

Risk-taking is defined as a firm's tendency to take bold actions such as venturing into unknown markets, exploring new and uncertain opportunities, committing a large part of the firm's resources into ventures with uncertain outcomes, and/or borrowing heavily (Lumpkin and Dess,

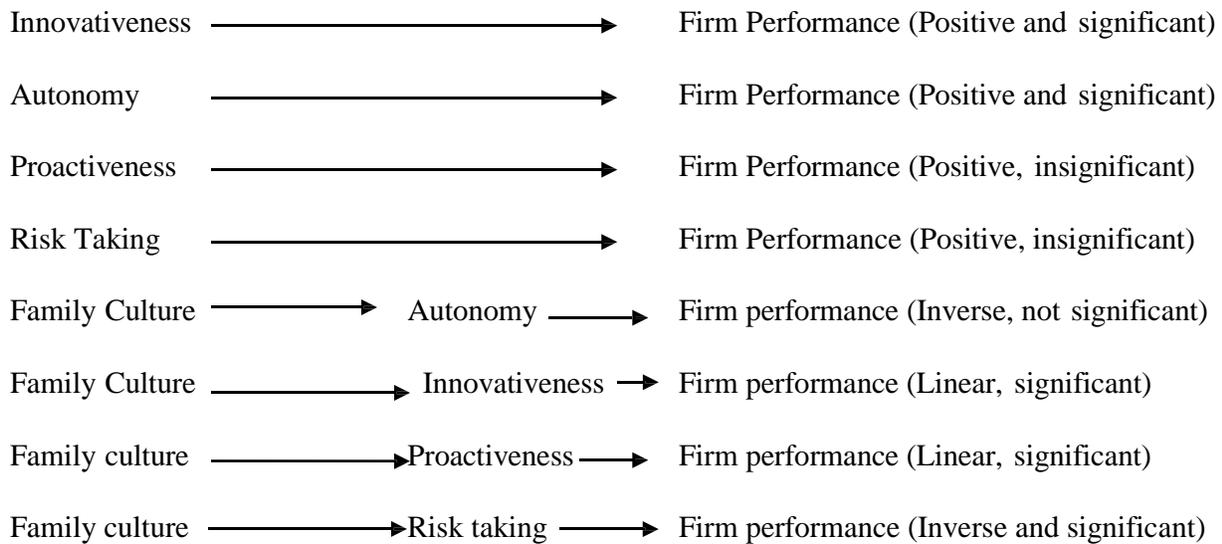
2001). According to Lumpkin and Dess, (1996) risk taking is viewed as being present at each stage of the entrepreneurial process, so it is one of the essences of entrepreneurship.

In the context of family businesses, family firms are seen to have a higher preference for cautious actions rather than bold ones in the course of achieving their firm's objectives. This is because of the long-term performance orientation of family firms (Zellweger, 2007), their focus on passing the business to the next generation (Ward, 2004), and the protection of the family's investments in the business (Zahra, 2005). Empirical evidence in entrepreneurship and family business literature shows that family firms take lesser risks than non-family firms (Naldi et al., 2007). Gomez-Mejia et al. (2007) find that family firms take decisions that would protect their socio-emotional wealth and avoid decisions that would aggravate the position of same.

In another study carried out by Nordqvist et al. (2008), they find out that there are lesser signs of risk-taking and competitiveness in comparison to innovativeness, autonomy and proactiveness in family firms. In the context of this study, the wording of the retained items measuring risk taking (R2, R3 and R4 in appendix 5) supports the assertion literature on entrepreneurship that family firms do take risks but they are measured and calculated (Lumpkin et al., 2010). This thesis also does not find support for a significant direct relationship between risk-taking and performance in family firms, although the relationship between the two variables is positive. However, a high level of cautious and measured risk taking is found to significantly ($p < .05$) and positively moderate the relationship between family culture and firm performance of family firms in this present study. This interesting and important finding lends support to extant entrepreneurship literature that risk-taking is a key factor of EO; and also to the family business literature that a calculated, cautious and measured risk is required for family businesses to achieve, attain, and sustain positive firm performance. Finally, as expected, a significant and inverse relationship was

found between risk-taking and family culture. This confirms the position of scholars, especially within the entrepreneurship literature, that family firms take lower risk than their non-family counterpart (Zahra, 2005; Zellweger, 2007).

The findings for Hypothesis 1, 2a to 2c are summarised below:



EO and Family Culture: Generally, it has been inferred and empirically supported in literature that there is a link between organisational culture and EO (Lumpkin and Dess, 1996; Zahra et al., 2004). However, empirical evidence linking family culture to EO is very limited. Furthermore, there is also a dearth of literature on the specific EO dimensions that are statistically and significantly linked with family culture. Consequently, this study has made an attempt to bridge the gap of knowledge in this regard within the context of family business.

5.3.3 Research Question 3- SBO, Firm Performance (FP) and Family Culture

RQ3(a) Small Business Orientation (SBO) would positively affect the performance of family-involved businesses in Nigeria;

(b) Family culture would positively influence SBO in family-involved businesses

(c) SBO would positively moderate the relationship between family culture and performance of family-involved businesses in Nigeria.

SBO is a new construct which suggests that small businesses are mostly established by their owners to promote personal goals and agendas (Jenkins and Johnson, 1997). SBO is posited as a strategic orientation that reflects a personal way of carrying out business activities which does not necessarily lead to poor firm performance (Runyan et al., 2008). The main dimensions of Small Business Orientation construct focus on the purpose and goals of business owners and their emotional attachment to the business.

SBO is a contrasting strategic orientation to EO in that while EO is aggressively seeking growth in firms, SBO is focused on seeking acceptable performance levels that would protect the owners' investments as well as the longevity of the firm. SBO as a strategic resource can also be explained based on the idiosyncrasies of the family behind a family business. The evolving argument in family business research is that these idiosyncrasies can no longer be ignored (Chrisman et al., 2010; Dyer, 2006). Until very recently, financial indices were mostly used by family business researchers to assess the performance of family firm, thus neglecting the family factor in the business. In other words, family business research has so far been characterised by classical theories and models which mainly consider the economic factors contributing to performance in family firms. Excluding non-economic goals might be unwise because of the risk of ignoring the effect of the dominant coalition (the family) and the emotional or non-economic goals that guides their performance (Chrisman et al., 2010; Lubatkin et al., 2005). Since the family is the dominant coalition in the family firm, it is important for new researches to focus on the core indices that drive performance in family firms.

SBO, though a borrowed strategic resource from the small business literature, offers the right platform to examine the non-economic goals that drive performance within family firms. SBO is of particular relevance in the context of Nigerian family businesses because of the family's strong association with the ownership, ownership, management and control of the firm. Due to the cultural traits of Nigerian family businesses (as shown in table 4.11), non-financial considerations such as goals that hinge on personal satisfaction, the desire for the business to succeed, emotions, reputation of the family and its members, can all drive strategic decisions in family firms that may ultimately influence the performance of such firms. Non-economic goals are also known to reflect the unique interests of the controlling family (Zellweger and Nason, 2008).

There are conflicting views in the literature however, with regards to the performance outcomes of firms driven by personal goals of the business owners and their concurrent emotional attachment to the business. This disparity of views makes it an important subject of investigation for apparent reasons. First, it has been assumed and presented by some scholars that the decisions of privately held businesses are mostly based on both financial and emotional goals (Astrachan and Jaskiewich, 2008; Chrisman et al., 2012). While some scholars consider success as a simultaneous achievement of family goals (which include family norms, commitment, values and emotional attachment to the firm) and business goals (Dyer, 2003; Habbershon and Williams, 1999), others have argued that the emotional attachment of executives to their firms can prevent resource distribution in a timely manner (Sharma and Manikutty, 2005). The overall focus and basis for investigating this concept is premised on the recognition that there is a possibility that family firms seek to achieve a variety of goals (Duh, 2010; Duh et al., 2010) besides economic goals.

One of the objectives of this thesis was to examine the extent to which the strong affective nature of Nigerian families towards their multiple roles in ownership, management, control and family employment, impact on the performance of the firm. This thesis takes the position that families are posited to influence firm performance positively through goals, purpose and emotions, which are driven by the desire for the business to outlive them. This position is premised on the probability that the emotional attachment of a family to their firm would fuel in them the desire for the business to succeed. Emotional attachment of the owner family to their business is known to prompt long hours on the job, strong commitment to the business and the willingness to tap into all networks that would be beneficial for the growth of their business (Dyer, 2003).

Although a few other scholars view emotional attachment to the firm as problematic (Sharma and Manikutty, 2005), this study has found a positive and significant influence of family purpose, goals and emotional attachment on firm performance in family businesses. Emotional attachment is non-financial and non-entrepreneurial in approach, even though certain business decisions taken by the family are premised on strong emotional attachment to the family's value system. The position of this thesis is that this can foster acceptable levels of positive performance in the family business. In addition to this, a family's strong emotional attachment to the family business might naturally prompt long hours of hard work, creativity, the desire not to fail, and dedication to the survival of the business (Astrachan and Jaskiewicz, 2008). Moreover, longevity and minimum acceptable performance are predicted in such businesses where high levels of economic goals are present (Filley and Aldag, 1978).

Consistent with the reported positive and significant relationship between performance of small businesses and their Small Business Orientation by Runyan et al, (2008), this thesis also finds a positive and significant relationship ($\beta=0.175$, $p<0.000$) between SBO and the performance of

small and medium-sized businesses in Nigeria. The findings of this thesis suggest that personal goals (mostly non-economic goals) of Nigerian families and their emotional attachment to their family business prompt the family to take decisions that could drive acceptable levels of performance in them. Thus, hypothesis 3a is fully supported.

The significance of this finding to the family business literature is that strategic resources that could foster positive performance in family businesses are not limited to entrepreneurial orientation alone. SBO provides a richer perspective in investigating family firms, especially in countries such as Nigeria where premium is placed on certain behavioural patterns due to the peculiarity of their culture. Despite EO's prevalence in the extant literature in investigating predictors of performance in different types of firms, its role in family businesses as source of competitive advantage is still very low. As previously discussed in section 5.2.2 above, in most studies (this inclusive), family firms score low in almost all EO dimensions (autonomy, risk-taking, proactiveness, and competitive aggressiveness). Therefore, it has become inevitable for family business scholars to begin to extend their search light beyond EO into other strategic decision-making styles, choices and practices that would ultimately foster positive performance and survival of family firms, particularly in emerging economies. The responses given by some of the family business owners and managers to the open-ended question, "what are the advantages of a family business over a non-family business?" lend further support to the finding of this thesis:

The owner of Company 174 says 'posterity and family name is retained; flexibility of working hours (both long and odd hours can be used). It creates exposure to the workings of the family and it values'.

The owner of company 175 mentioned that "it creates a sense of belonging; it allows you full control of your time".

Next, family culture is also found in this study to significantly and positively predict SBO in Nigerian family businesses ($\beta=0.427$, $p<0.000$). This finding suggests that the purpose and goals of the family behind a Nigerian family business and their emotional attachment to the firm fosters the overlap between family and business' values, the family's commitment to same and ultimately, a positive firm performance. Therefore, based on the finding of this study, it is important for families behind family firms to set out clear and distinctive goals within the context of their family culture. This will help them develop unique competitive advantages that would ensure superior firm performance. Hypothesis 3b is fully supported.

The third assumption for SBO however does not find any support in this study. This is the assumption that SBO moderates the influence of family culture on firm performance in Nigerian family businesses. Contrary to the expectations of this thesis, the moderating effect of SBO on the Family Culture-FP relationship is negative and statistically non-significant (as shown in Chapter Four, table 4.32). The argument for a positive relationship is based on the expectation that family's goals and emotional attachment to the family business increases the influence of family culture on firm performance. However, the obtained inverse relationship might be because a high level of family culture in the family business already presents sufficient family values, goals and dynamics required to promote acceptable performance outcome. Therefore, the introduction of SBO into the paradigm might induce a negative rather than positive impact on the relationship between family culture and firm performance.

5.3.4 Research Question 4 – Environmental Dynamism, FP and Family Culture

RQ4: Does Environmental Dynamism moderate positively the relationship between family culture and performance of family-involved businesses in Nigeria?

Environmental dynamism depicts rapid unpredictable changes in environmental conditions and also explains sporadic changes between customers and competitors (Khandwalla, 1977; Lumpkin and Dess, 2001). Dynamism also indicates the inability of owners and/or managers of businesses to predict future events as well as their impact on the organisation due to the level of uncertainty surrounding them (Lumpkin and Dess, 2001). Family business owners and managers are known to take measured risks and calculate every decision carefully before embarking on new ventures and executing them (Lumpkin et al., 2010). However, harsh economic conditions and unfriendly market places would prompt family business owners to be more proactive and innovative in their business decisions while still maintaining the autonomy of the dominant family behind the business.

Similarly, the affective nature of families, their strong commitment to the survival of the firm, in addition to family values, should prompt strategic behavioural patterns in decision makers within family firms. Furthermore, the more non-economic goals guiding the family's decision making process, the higher their tendency towards predicting changes within their business environment. The need to also stay above competition would push family businesses with a high culture of commitment towards a positive firm performance.

Most studies on the moderating roles of environmental dynamism are usually between EO and firm performance (Lumpkin and Dess, 2001; Casillas et al., 2010; Covin and Slevin, 1989). The findings of Lumpkin and Dess (2001) on proactiveness and firm performance show that dynamism positively and significantly moderates the two variables. In another research context, Casillas et al. (2010) show that a dynamic environment positively moderates the relationship between generational level and EO in 449 Spanish SMEs.

The competitiveness prevalent among businesses operating in harsh business environments prompted the need to investigate the effect of environmental dynamism on the family culture-firm performance relationship within this research context. Although, the moderating effect of dynamism in this study is statistically insignificant, the Johnson-Neyman technique shows that as the level of dynamism increases, the positive effect of family culture on firm performance increases as well (see appendices 20a and 20b). This positive result, though insignificant, suggests that family culture positively influences firm performance in a highly dynamic business environment usually found in countries such as Nigeria.

5.3.5 Research Question 5 – Ethnicity, Family Culture and Firm Performance

RQ5a) There is a significant difference in the level of family culture in family-involved businesses based on their ethnicity (Yoruba, Hausa, Igbo and Minority)

Against all expectations, this study does not find any significant difference in the level of family culture among the four ethnic groups represented in this study. Although the Hausa group record the highest level of family culture, followed by the minority group, then the Igbos, and lastly the Yorubas, the finding was not significant at $p > 0.05$.

The insignificant result in the level of family culture base on ethnicity is unexpected, especially as Nigeria is categorised as one of the world's most diverse country ethnically. The emergence of ethnicity world-wide was predicated on the need for identity, exclusiveness, separate languages and cultural heritage among individual ethnic groups in different countries (Cohen, 1974). This assertion is reflected in the huge difference in the cultural practices of the three major ethnic groups in Nigeria (Aluko, 2003). Moreover, it is near impossible to generalise some aspects of the Nigerian culture without taking into cognisance the differences that may exist in the cultural

heritage and practices of the different ethnic groups. For instance, what is acceptable in Yoruba culture, ritual or symbol, might not be acceptable in the Hausa or Igbo culture.

Although, this could also be an interesting finding if considered on the premise of national cultural values, which is clearly different from cultural practices (Hofstede and Hofstede, 2005), it is possible that the national cultural traits of collectivism which is present across all societal levels of human interaction in Nigeria (Hofstede and Hofstede, 2005) overrides individual differences that may exist among the different ethnic groups (Mbakogu, 2002). This is a line of enquiry that needs further investigation in future researches within the Nigerian context.

For the purpose of academic discourse, it would be beneficial to take note of the differences in the mean levels of family culture in the four ethnic groups: Hausa – 6.3356; Igbo – 6.1836; Minority – 6.279; and Yoruba – 6.1733. This finding (though insignificant) shows a clear pattern that might have some theoretical backing in the literature on ethnicity in Nigeria. For example, the Hausas would most likely have a higher Power Distance Index than the other two major ethnic groups because of their strong value system that encourages deference to authority, hierarchy, loyalty, unquestionable obedience to their leaders (Aluko, 2003), authority within the home, workplace, political arena and lineage. The Igbos are very traditional with certain values such as strong work ethics, preserving their custom and cultural practices, self-motivation, self-discipline, self-development and pride in one-self (Aluko, 2003; Okehie-Offoha and Sadiku, 1996). They also promote the extended family system to a considerable extent (Ekeopara, 2012). The Yorubas practice collectivism on a higher continuum when compared with the Hausas and Igbos (Aluko, 2003). They also promote the extended family system strongly, and encourage hard work, industriousness, loyalty and discipline in their children. However, the Yorubas are more liberal in their approach to issues than the other two ethnic groups (Okehie-Offoha and

Sadiku, 1996) mainly because of their willingness to accept new things. The minority ethnic group comprises of the Kanuri, the Nupe, and the Tiv in the North, the Efik/Ibibio, the Ijaw, and the Ekoi in the East, and the Edo and Urhobo/Isoko to the West, along with hundreds of other groups. These various minority ethnic groups are also diverse in their languages, dressing, and beliefs. Their value systems are similar to those of the regions that they belong to.

RQ5b) *There is a significant difference in the performance level of the surveyed family-involved businesses based on their ethnic group (Yoruba, Hausa, Igbo and Minority).*

This study does not find any significant difference in the performance levels of the four ethnic groups. However, the mean of the performance variable is highest in the Igbo group (4.6938), followed by the Yoruba group (4.6690), then the Hausa group (4.6520) and lastly the minority group (4.2645).

This thesis therefore does not get any support for hypothesis 5 as predicted.

5.3.6 Research Question 6 – Gender, Family Culture and Firm Performance

RQ6a) *Is there a significant difference in the level of family culture in family-involved businesses based on the gender of whom is leading the business?*

- The finding of this study shows that female-led family businesses have a higher level of family culture than male-led ones at $p \leq 0.05$. This is an important and interesting finding vis-à-vis the level of family culture in a family business.
- In the entrepreneurship literature, men are usually presented as possessing more entrepreneurial intentions than women (Gupta et al., 2009). Similarly in the family business literature, it has been suggested that the role of women in family businesses over the years has been subtle, and most times, women are linked to traditional family roles than business roles (Jimenez, 2009). Women are often given the background role of

nurturing and caring for the family as compared to any visible roles within the family business.

- Several scholars researching into the role of women in the family business have noted, based on their findings, that the cultural tradition in many societies put women and men in different social positions, thus limiting the men's role to being the breadwinner and the women's to homemaker (Dumas, 1992; Lyman, Salganicoff and Hollander, 1985).
- However, due to recent reports on the economic importance of women in different transition and emerging economies, any country that desires to enjoy long-term economic growth and development must review and reverse any restriction placed on the economic activities of women.
- According to IMF, World Bank Report, women run almost 35% of all businesses in the world, and nearly half of those businesses are in the developing markets. Women are now being considered as being into the largest emerging market in the world.
- Regionally, women entrepreneurs are active contributors to the rapid development of the economies in South-East Asia, Eastern Europe (Coughlin and Thomas, 2002) and own approximately 48% of companies in the United States of America (The Centre for Women's Business Research, 2004a).
- Within the African context, several researches have highlighted the economic importance of women in Africa (Halkias et al., 2011). However data collection on this is still quite poor because women are more active in the informal economic sector. There are even speculations that women might own and manage approximately 38% of the informal microenterprises in developing countries of which include Nigeria (Leino, 2009).

- The stronger connection between women and family culture in comparison to men can only be explained through the unique role played by women in nurturing the younger generation and maintaining the emotional stability of other family members. Their ability to act as role models while teaching the younger generation values peculiar to their family, community, society and nation cannot be overstated. Women are natural incubators of family values, which makes them invaluable resource to the family, family business, community, larger society and nation.

Within the context of family business, their role in the transfer of family culture to the next generation should be acknowledged, since this is important for the longevity of the family business (Dugan et al., 2008). Specifically, Dugan et al. (2008: 23) on the nurturing role that women play within the home and family business states this: “As they raise their children, they are also transmitting inherent family values to the next generation which may be vital to the continuity and success of the business family and family business”.

- Therefore, this important finding linking female-led businesses to a higher level of family culture than male-led businesses is fundamental to future studies on family culture in family businesses.

RQ6b) Is there a significant difference in the performance level of family-involved businesses based on the gender of whom is leading the business?

There is no significant statistical support for the differences between the performance level of female-led and male-led family firms. Conflicting views have been expressed with regards to the role of gender in firm performance. While some find male-led firms to generate more gross income than female-led firms (Khalife and Chalouhi, 2013), others suggest that there is no statistically significant difference (Chell and Baines, 1998).

5.3.7 Research Question 6 – Generational Control, Family Culture and Firm Performance

RQ6a) *Is there a significant difference between the level of family culture in family firms controlled by the first generation and those controlled by the second generation?*

In this study, family culture is potentially found to be higher in firms controlled by the first generation than the ones controlled by the second generation. This is an expected outcome as such firms are still within the strong control of the founder (Cruz and Nordqvist, 2012). Consequently, the founder's values (family and personal), goals, and vision would be easily transferable to other members of the family that are involved with the business. This has also been implied in literature on entrepreneurship and family business as several authors have argued that family firms outperform their non-family counterparts mainly when the founder remains active in the firm (Anderson and Reeb, 2003b; Villalonga and Amit, 2006; Barontini and Caprio, 2006).

RQ6b) *Is there a significant difference between the performance level of family firms controlled by the first generation and those controlled by the second generation?*

No support however is found for the assumption that the performance level of family businesses controlled by the first generation is higher than those controlled by the second generation.

5.4 Chapter Summary

Overall, this study has recorded some significant findings with regards to the factors affecting firm performance (both directly and indirectly) in Nigeria.

Nigeria, the most populous nation in Africa, was chosen as the research location because of the dearth of literature on family businesses on the country. This is considered an important gap that needs to be filled because Nigeria occupies a significant position as a regional leader in Africa,

despite all the negativities she is shrouded in. Nigeria is also a country that has rich and diverse cultures, especially at the family level, which is why it should be a good platform to explore the family involvement concept.

The findings in this study confirmed that family businesses can demonstrate both EO and SBO dimensions significantly and simultaneously as previously shown in Runyan et al.'s (2008) study on small businesses. This is a significant contribution to literature on entrepreneurship and family business with regards to the potential of family businesses to simultaneously engage both economic-oriented strategies (EO) and non-economic-oriented strategies (SBO) during their decision-making process.

It is noteworthy that the multidimensional status of the EO advocated for by Lumpkin and Dess (1996) was confirmed in this study. Although the manner in which Nigerian family businesses employ their EO dimensions differs from those reported in other studies. This throws empirical weight behind the argument that EO dimensions would interact independently to explain firm behaviour under different contexts of research (Lumpkin and Dess, 1996). While Nigerian family businesses record a positive and significant influence of Autonomy and Innovativeness on firm performance, proactiveness and risk-taking generated insignificant outcomes with the dependent variable (firm performance). The following factors could be responsible for this: the business environment, national and family culture, and perhaps, limited resources, as most businesses were small and depend mainly on family and personal funds for the day-to-day management of their businesses.

Small Business Orientation (SBO) is a relatively new construct that portrays a business as an extension of the owner (both individuals and/or families). SBO is presented as another strategic orientation alongside with EO in this study. This was in response to the need to further

understand the behaviour of family businesses in a different research context. SBO is also found to impact positively on the performance of family firms in this study, despite showing positive and significant relationships with EO. This significant and interesting outcome suggests that family businesses might be employing dual strategic resources (entrepreneurial orientation and SBO) while making key decisions within the firm.

The key variable representing family involvement in this study is family culture. Finding a positive relationship between family culture and the performance of family firms in Nigeria is a significant contributor to the family business literature. This significance of this positive outcome is hinged on the negativity surrounding the national cultures of countries like Nigeria. Secondly, the harsh economic conditions under which businesses in Nigeria operate, coupled with their non-recognition in government policies suggest that the Nigerian family culture have inherent values in them that should be further investigated in family business research. Family culture is also found to positively and significantly predict the following variables in this study: SBO, innovativeness, proactiveness, succession and gender.

Another interesting outcome is the moderating effect of risk-taking on the relationship between family culture and firm performance. This statistically significant outcome suggests that the effect of family culture on firm performance is stronger in family businesses that have a higher propensity towards risk taking. This is an important finding as researches in different contexts have found family firms to be adverse to risk taking (Zahra, 2005). Therefore, it is important for family businesses in Nigeria to take some measurable risk in order to maintain their survival and superior performance.

Family control in decision making is another variable that influences firm performance positively and significantly in this study.

The ANOVA test carried out in this study produces a significant higher mean level of family culture in family businesses owned and/or managed by women than men. Family businesses controlled by the first-generation also shows a higher level of family culture than those controlled by the second generation in the findings of the t-test.

In the next chapter, conclusions from the overall findings of this study are drawn and the study's unique contributions and implications are presented. It ends with the discussion of recommendations for future research.

CHAPTER SIX: CONCLUSION

6.1 Introduction

This chapter provides the conclusion to the study. It draws conclusions from the overall findings of this research which is based on addressing the study's seven research questions. It also presents the conclusions to the research questions; outlines the contribution of the study; offers recommendation for policy makers. The chapter further presents the limitations of the study and recommendations for further research.

6.2 Conclusive Findings Based On the Research Questions

The overall objective of this study is to answer the question, 'what contextual factors affect the performance of family businesses in a developing country context?' Specifically, this study explored the roles of family culture, dimensions of EO and SBO on the performance level of family businesses in Nigeria. The answers to the following research questions were sought:

(1) Does family culture affect firm performance in family-involved businesses in Nigeria?

(2) (2a) Which of the four dimensions of Entrepreneurial Orientation (autonomy, innovativeness, proactiveness and risk taking) employed in this study affects firm performance in family-involved businesses in Nigeria?

(2b) Which of the four dimensions of Entrepreneurial Orientation (autonomy, innovativeness, proactiveness and risk taking) employed in this study is influenced by family culture?

(2c) Which of the four dimensions of Entrepreneurial Orientation (autonomy, innovativeness, proactiveness and risk taking) employed in this study moderates the relationship between family culture and performance of family-involved businesses in Nigeria?

(3) (3a) Does Small Business Orientation (SBO) affect firm performance in family-involved businesses in Nigeria?

(3b) Is SBO influenced by family culture in family-involved businesses in Nigeria?

(3c) Does SBO moderate the relationship between family culture and performance of family-involved businesses in Nigeria?

(4) Does Environmental Dynamism moderate the relationship between family culture and performance of family-involved businesses in Nigeria?

(5) Is there a difference in the levels of family culture and firm performance based on the ethnicity of families that own and/or manage the firm?

(6) Is there a difference in the levels of family culture and firm performance of family businesses based on the gender of who is leading the business?

(7) Is there a difference in the levels of family culture and firm performance of family businesses based on the generation controlling the business?

Quantitative research techniques were used to address the above research questions.

In addressing the first research question, this study confirms that family culture has a direct impact on the performance of family businesses. This finding means that family culture which

connotes family values (loyalty, trust, harmony, and strong identity with firm) and family commitment to the firm is positively linked with the performance of family businesses in Nigeria.

In answering the second research question, it is confirmed in this study that Nigerian family businesses demonstrate four out of the five EO dimensions in the entrepreneurship literature. Further confirmed in this study is the potential of the EO dimensions to interact distinctly with firm performance. It is shown that only two entrepreneurial orientation dimensions (autonomy and innovativeness) have statistically significant relationship with the performance of Nigerian family businesses, thus supporting the multidimensionality of EO.

Also, family culture is found to positively influence performance in Nigerian family businesses, and this research also concludes that family culture would influence innovativeness and proactiveness in Nigerian family businesses. Moreover, Small Business Orientation (personal purpose and emotional attachment), a contrasting strategic approach to EO, is also found to significantly and positively influence the performance of Nigerian family businesses. This research confirms that family culture in Nigerian family businesses is positively linked with their Small Business Orientation.

Concerning the moderating effects of the four EO dimensions, this research finds that family culture (family values and commitment) have a significant effect on firm performance via risk-taking only. Out of the remaining three EO dimensions, autonomy also have an increasing moderating (though insignificant) effect on the association between family culture and firm performance. This outcome highlights that when a family takes a well measured and calculated risk in its day-to-day running of its business, this would facilitate better performance from its family culture.

In terms of SBO, this study finds no significant moderating effect of SBO on the family culture and family involvement link. However, while the moderating effect of dynamism on this link is explored, the Johnson Neyman technique shows an increasing moderating (though insignificant) effect. This implies that the effect of family culture on firm performance increases as the environmental dynamism increases (although this effect does not produce any statistical significance). This finding, though insignificant, supports the earlier assertion that the presence of family culture (family values and commitment) in Nigerian family businesses might propel them to act in ways that would protect the businesses from changing and uncertain environments.

Next is this study's finding to research question five. Although the differences in the means of family culture of the four ethnic groups (Yoruba, Igbo, Hausa and the Minority Group) are not statistically significant, they are noted for discussion purposes. The Hausa ethnic group have the highest mean (6.3356); followed by the Igbos (6.1836); then the Minority group (6.279); and lastly, the Yorubas (6.1733).

In answering the sixth research question, the finding of this study is interesting and important, especially within the research context of Nigeria. The outcome of this investigation shows that the level of family culture is significantly higher in female-led family businesses than their male-led counterparts despite the notable gap between the two groups. This finding is particularly important within the Nigerian context due to the patriarchal nature of the Nigerian society.

The investigation of the seventh research question shows that when a family business is under the control of the first generation, the level of family culture is higher than when the firm is under the control of the second generation. This implies that when the founder's generation is involved with the governance (or control) of a family business, they exhibit more family values and commitment to the firm than subsequent generations. However, in all these three variables

(ethnicity, gender and generational control), there is difference in the levels of performance of the family firms.

6.3 Contribution of the Research

In terms of scholarship, the emerging trend in family business research is to employ multiple concepts to tease out direct and indirect factors that are affecting the performance of family businesses within different research contexts. This research therefore focuses on competitive advantage and strategic orientations in Nigerian family businesses from within the family culture perspective, an area where research has been particularly scarce (Zahra et al., 2004; Brice, 2013). This research has provided several significant contributions to theory, research and practice in the fields of family business, entrepreneurship and small business.

6.3.1 Contribution to Theory

In this research, family culture is found to significantly influence the performance of family businesses. Although, prior to the time when literature has highlighted the importance of organisational culture to the performance of family businesses, this has been addressed from the organisational or firm perspective. Little research has empirically tested the relationship between family culture and performance from the family perspective (Fletcher et al., 2012). Therefore, the finding of this thesis with regards to the positive association between family culture (family values and commitment) and firm performance is a significant contribution to the existing literature on the resource-based view of family businesses. This positive research outcome between the two variables is a particularly important contribution to the body of knowledge on family business because of the very challenging economic environment that Nigerian family businesses operate in.

Family cultural traits such as trust, loyalty, harmony, identifying family members with the family

business, defending the family business, creating contacts for the business and being committed to the family's goals for the business, which are deeply rooted in the Nigerian culture are shown to be important resources for family businesses to possess in order to survive in the Nigerian economic environment. Another basic significant contribution by this thesis is the identification of family culture as a component of family involvement in a business.

The findings relating to EO and firm performance empirically confirms that autonomy and innovativeness are significant determinants of better performance in Nigerian family businesses. Although all four EO dimensions show positive association with firm performance, only these two were significant. This finding strengthens the notion that the family business' autonomy in decision-making and their continuous innovative approach to product/service development and problem solving will enhance their performance and competitive edge over their non-family counterparts. The above results also confirm that all four EO dimensions (autonomy, innovativeness, proactiveness and risk-taking) are demonstrated by family businesses in this study. This is an important contribution to theory since the formulation of the EO construct, and previous researches on same has previously been associated with the United States of America.

The findings of this study is particularly important because it is conducted in Nigeria, a country with enormously different sets of social institutions and national cultures from Europe, Australia, North and South America, where the EO scale has been widely investigated. Furthermore, despite Nigeria's numerous issues such as corruption, bad roads, inadequate power and water supply, poor health facility, lack of good government policies for small businesses and gender inequality (Adisa et al., 2014; Makama, 2013; Okpara and Wynn, 2007), family businesses are still engaging in entrepreneurial behaviours that are beneficial to their firms. This study therefore confirms that EO dimensions can manifest differently in family businesses depending on the

country in which they are domiciled. This is a contribution to literature in both family business and entrepreneurship fields.

A new school of thought emerging in family business research is whether family businesses without EO would achieve good performance levels, or whether EO is solely responsible for promoting positive firm performance in family businesses. Most studies have presented high level of EO as the major factor responsible for positive performance and growth of family firms (Wiklund and Shepherd, 2005), while others have suggested that some other non-economic factors might also be responsible (Chrisman et al., 2010; Zahra, 2005; Venter and Kruger, 2004).

This research contributes to the stream of research on the benefits of non-economic factors to family firms. It provides further supportive evidence to substantiate the potential importance of non-economic factors to family businesses. This is because the finding of this thesis confirms the positive association between Small Business Orientation and firm performance in Nigerian family firms.

SBO, as previously described, is an approach that shapes the behaviour of businesses in line with the personal goals of the business owners and their emotional attachment to the firms. The positive and significant association found between SBO and the performance of family businesses in Nigeria is an indication that Entrepreneurial Orientation which has before now been mainly associated with positive firm performance in most developing and emerging markets is not solely responsible for the performance of Nigerian family businesses. This is another important contribution to family business literature.

This research also highlights the important role of women as carrier and transmitter of family culture in family firms. Family culture is found to be significantly higher in female-led firms

than in male-led ones despite the huge disparity in sample size of the two genders. This is an important contribution to the family business literature because most previous studies have merely inferred the suitability of women in fostering commitment and family values with little or no empirical backing (Salganicoff, 1990).

The non-significance in the difference recorded in the levels of family culture in the four ethnic groups (Yoruba, Hausa, Igbo and the Minority Groups) is another interesting finding, though this will require further investigation. Established in historical books is the diversity of these four Nigerian ethnic groups in cultural practices such as rituals, traditions, norms and symbols. However, how these practices shape their distinct family values is unclear. The focus of this study is on cultural traits such as family values and commitment, and the outcome of the analysis carried out suggests that the four ethnic groups might not be different along these lines. Nevertheless, this should still be interpreted with caution since the study was conducted in Lagos using samples of family businesses owned and/or managed by families from these four ethnic groups. Lagos is domiciled in the south west, although it is the largest commercial centre in Nigeria and a home for diverse ethnic groups, most of whom have had several of their generations reside there for decades.

The superior effect of the first generation on a family business is clearly demonstrated in this study. Family culture is found to be significantly higher in family businesses controlled by the first generation than when the second generation is in charge. Hence, it supports the previous argument in literature that the culture and structure of an organisation might be influenced by the generation controlling the firm (Dyer, 1988). The significant influence of the first generation on the level of family culture displayed by family businesses, suggests that they are stronger in driving in family values, goals and commitment in family businesses than the second generation.

6.3.2 Contribution to Research

This research has provided several significant contributions to the fields of family business, entrepreneurship, and small business research particularly in the areas of research context and conceptualisation.

The concept of ‘culture of family firms’ is an emerging field of investigation as a carrier of intangible strategic resources that promotes value and entrepreneurial activities in family firms (Zahra et al., 2004). However, most studies on culture in family businesses have hitherto focused on the firm, thus limiting the knowledge of family culture on which the research light is beaming on the family. The focus on the family, its values, goals, and commitment to the business within this research and its subsequent effect on performance is a unique contribution to research by this study.

Furthermore, this study offers an initial effort to examine the relationship between the individual dimensions of EO and family culture. This is a conceptual contribution. This research sampled mostly small family-owned businesses as opposed to the more common, large and widely-held firms. The study was undertaken in the context of dominantly family owned, managed, and controlled family businesses, by using a multi-disciplinary research framework to provide the contextual and conceptual contributions to the research.

Although organisational culture in the context of family businesses has enjoyed some research coverage in the field of entrepreneurship, most of the researches to date are limited to Europe and North America. In Africa, the knowledge about family culture’s impact on the performance of small businesses, particularly small family businesses is very limited (and to the best of this researcher’s knowledge, none is available in Nigeria). Consequently, the location of this research (Nigeria, the largest country in Africa, and a country that is totally different in values,

has diverse ethnic groups, policies on gender equality, institutions and infrastructure, and the use of cross-disciplinary literature) has helped extend the existing body of knowledge in family business studies. Furthermore, the running of family businesses in Nigeria and an integrated approach for this study provide a contextual and conceptual contribution to the research.

Similarly, the research on EO, though very popular in literature as a vehicle for enhancing positive performance in firms, is limited to Europe and North America, and recently, Asia and South America. The confirmation of the multidimensionality of the EO construct in Nigeria is a significant contribution to the body of research. This is especially so because Nigeria is a huge and fast emerging economy both within the African continent and globally (World Bank Report, 2014). Nonetheless, Nigeria is also a nation plagued with diverse economic, structural and moral issues. Therefore, investigating how individual EO dimension influences the performance of family businesses in Nigeria is a contextual contribution to the research.

Small Business Orientation (SBO), a newly developed strategic orientation has only been investigated in a few small town businesses in North America (Runyan et al., 2008). Consequently, introducing SBO into the conceptual framework used in this study provides a contextual and conceptual contribution to research. Furthermore, the finding of this study which suggests a strong significant and positive association between SBO and the performance of Nigerian family businesses is advancement to the body of research on this construct. This current study has further extended the stream of research on SBO beyond Runyan, Droge and Swinney's (2008) studies by showing that the nine SBO items they initially proposed, can exist in a different form in another research location. They retained PURP1, EMOT1, EMOT2 and EMOT3 after test, this study, after testing for reliability and validity of scale retained PURP1, PURP4, EMOT1, EMOT3 and EMOT4 (see appendix 12 for details). This finding confirms and

supports Runyan et al.'s (2008) call for further refinement of the SBO scale.

Previous researches have investigated the moderating roles of several variables on the association between family involvement (in ownership, management, governance or succession) and the performance of family businesses. However, none has attempted to develop a research framework to assess the moderating effects of four EO dimensions and a contrasting strategic orientation (SBO) on the relationship between family culture and firm performance. The theoretical framework described in Chapter Three bridges the streams of family involvement, firm performance, entrepreneurship and small business research. Moreover, with the linking of the moderating effects of EO and SBO to the research framework, this study makes a significant contribution to the domain of family business research. Therefore, this research framework provides a conceptual contribution to the research.

The investigation into the moderating roles of two strategic orientations on the relationship between family culture and firm performance has not been attempted by previous researchers to the best of this researcher's knowledge. The theoretical framework of this study discussed in Chapter Two, consisting of family culture (FC) and firm performance (FP), and the moderating effects of EO and SBO on this FC-FP link, makes a significant conceptual contribution in both family business and entrepreneurship research. This investigation was carried out to bridge the gap in the literature on family culture and firm performance.

This research has contributed the Resource-Based View (RBV) theory of competitive advantages in family firms by highlighting the distinct and inherent advantages embedded in family firms through family culture. Family culture which is presented as a component of family involvement in this study follows Habbershon and Williams' (1999) concept of familiness as a carrier of the bundle of idiosyncratic resources that differentiates family from non-family businesses.

In addition, the use of small business orientation (SBO) in this study is a further advancement to the present consideration of EO as the main propeller of competitive advantage in family firms. The familial factor residing in the use of SBO by family firms to also guide their behaviour towards the firm, especially when making business decisions is confirmed in the context of Nigerian family businesses. Consequently, this conceptual contribution to research on family business increases one's knowledge of the dynamics of family businesses, an area that has consistently demanded further research in the literature (Gomez-Mejia et al., 2007).

By investigating the different levels of family culture in family businesses based on the ethnicity of the family, the gender of whom is leading the family business (in terms of ownership, and/or management) and the generation controlling the business, this study serves as a conceptual contribution to research on family business. In this study, empirical evidence was provided to show that female-led firms have higher level of family culture than male-led firms. Further empirical support is provided on how family businesses controlled by the first generation have a higher level of family culture than those controlled by the second generation. Also, highlighting the effect of women and founders on fostering stronger family values, loyalty, trust, commitment, family traditions, and family goals in the context of Nigerian family businesses, especially with high contradicting effects of gender inequality and institutional problems in this region has contributed to the theoretical base in family business research. However, the research finding that shows non-significance in family culture level of family firms based on ethnicity is a call for further investigation.

6.3.3 Contribution to Practice

The findings of this research provide important contribution for practitioners and policy-makers in developing policies and strategies for promoting family businesses in Nigeria. The research

shows the positive effect of family culture on the performance of family businesses. This emphasises the importance of encouraging family values such as harmony, cohesion, trust, loyalty, identifying with the family, protecting the family's interest and strong commitment to the family's goals in Nigerian family businesses for sustaining their survival and enhancing their performance. It is very important and advisable for practitioners and policy makers to consider these findings in designing programmes that support the development of family businesses in Nigeria. In addition to this, business development institutions (such as training institutes), life coaches and business advisors will benefit immensely from these findings when providing advisory services or designing training programmes for family businesses in Nigeria.

This research also reports significant and positive association between the following strategic resources: autonomy, innovativeness (EO dimensions), Small Business Orientation (SBO) and the performance of Nigerian family businesses. This therefore, confirms the presence of multiple over-lapping strategic resources within Nigerian family businesses. This finding will also guide all stakeholders in providing the necessary policies and programmes that will benefit family businesses operating in Nigeria. The positive moderating effect of risk-taking on the relationship between family culture and performance of Nigerian family businesses is also an important finding that practitioners and business advisors should note when designing programmes for them.

The higher level of family culture in female-led family businesses than male-led family businesses confirms the importance of women and their future role in emerging economies. Therefore, with regards to Nigerian family businesses, it is important for family business owners to consider this finding when planning the succession of their businesses. The issue of gender inequality should also be looked into by policy makers, especially when designing programmes

that affect all SMEs and particularly family businesses in Nigeria.

The research reports insignificant relationships between two EO dimensions and the performance of family businesses in Nigeria. These are proactiveness and risk-taking. This finding may be due to the already established argument in literature explaining the need to protect the longevity of family firms as responsible for the conservative nature of family firms towards risk-taking (Zahra et al., 2008; Zahra, 2005; Shepherd and Zahra, 2003). This study has however recognised that risk-taking is essential for family businesses to maximise the effects of family culture on the performance of their firms.

Generally, this research has shed lights on the significance of founders encouraging the transfer of family culture to the next generation, the important role of women in family businesses, the need for proper understanding of family culture within the Nigerian context, and the essence of non-economic of non-economic goals (SBO) for positive performance of family businesses.

6.4 Recommendations

The findings of this thesis provide important contributions and recommendations for family business practitioners and policy-makers.

6.4.1 Recommendations for Family Business Owners and/or Managers

1. The findings of this study suggest that the culture of the family behind the running of a firm might present a strategic and important resource for improving the performance of family businesses. Therefore, individual family business owners and/or managers should identify, understand and use family values, goals, and factors fostering loyalty and commitment to the firm. This will require an intensive examination of their family culture, while bearing in mind that some key factors of the family culture might be

embedded in beliefs and assumptions that are often hidden. Once identified, these values and factors helping their loyalty and commitment to the business should be leveraged upon.

2. Furthermore, this thesis' finding on family culture also suggests the adoption of a family value system that centres on proactively anticipating their competitor's moves and subsequently taking effective and timely business decisions that will enable them stay ahead of competition. Nigerian family businesses are encouraged to use different means within their reach to identify new business opportunities and engage strategies that are based on their distinct resources.
3. With regards to EO, the findings of this study suggest that some dimensions of EO are more beneficial to family firms in creating advantage and improving performance. Family business owners and/or managers should therefore look inwards to identify the EO dimensions that create more value for their firms.
4. In this study, innovativeness and autonomy of the family in making business decisions were identified as two significant strategic resources for family businesses within this research location. Therefore, Nigerian family businesses need to develop a strategic orientation that promotes innovation. They will also need to create a centralised and informal line of communication within the family business that will ensure a system where business decisions are not only taken promptly, but effectively and efficiently.
5. Low levels of proactiveness and risk-taking are also exhibited by the sampled family businesses. Although the influence of these two EO dimensions does not show any significance with firm performance (FP) in this study, they are also implied as important strategic resources for Nigerian family businesses. Consequently, family business owners and/or managers are encouraged to be more proactive in identifying new business

opportunities and adapt strategies to suit their firms and business environment. Although numerous studies have maintained that family businesses (FB) are risk adverse (Gomez-Mejia et al., 2007), and some have even found risk-taking to have a negative influence on FB's growth (Naldi et al., 2007), this study does not find support for this argument. Besides risk-taking having a positive (though insignificant) relationship with the performance of FBs, it is also found to positively and significantly moderate the relationship between family culture and FP. Therefore, it is suggested that FBs should take measured and calculated risks to maintain positive performance level in their firms.

6. Most importantly, Nigerian family business owners and/or managers seeking to achieve and sustain positive firm performance must engage an innovative culture, while maintaining the autonomy of the owner family in making important business decisions.
7. As highlighted in this study, Small Business Orientation (SBO), a strategic resource that focuses on the purpose, goals and emotional attachment of the owner family is found to positively influence the performance of family businesses. Family business owners and/or managers are thus encouraged to identify the reasons why their firms were established in the first instance, their growth plans, the founder's strong and positive personality traits, and the factors that fuel their passion for the firm.
8. The founders and first generational owners of family businesses are encouraged to create a sustainable platform to transmit their idiosyncratic family values, goals and culture to the next generation.
9. Women have been shown to have strong sense of values, loyalty and commitment to the family and its endeavours; it is therefore advised that women and daughters should be allowed to play more significant roles within family businesses, beyond the traditional home-making roles that they mostly play.

6.4.2 Recommendations for Policy Makers, Consultants and Other Relevant Bodies

1. This study makes a contribution to consulting firms providing training services to FBs in Nigeria. It informs consultants and other relevant bodies about the most recent issues and concerns facing family businesses in Nigeria. It has also provided a detailed literature review which could serve as a training material for owners and/or managers of family businesses.
2. Family business consultants should consider using the findings of this thesis, specifically the factors that positively promote performance in FBs, to develop training materials that will propel Nigerian FBs towards increasing their capacities in those areas.
3. The involvement of educational institutions such as Centres for Entrepreneurship Development in several higher institutions of learning in the country is required. They are encouraged to develop relevant training materials on EO, SBO and Family Culture. Furthermore, educational institutions are advised to develop strategies and proposals that will facilitate their collaboration with consultants to FBs, professional bodies and policy makers in order to provide a framework for Nigerian FBs to access more opportunities, in both learning and practice.
4. This study will help financial institutions (FIs) and fund managers to understand the factors that influence the performance of FBs. The findings on non-economic goals and resources such as SBO and family culture will provide them with more insight into the dynamics of FBs. This will help FIs and fund managers make useful investment decisions when considering loan applications from FBs.
5. Students and researchers can make use of the relevant chapters in this thesis as reference point, to start off their write ups or dissertations in similar areas of investigation.

6. The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), the government institution that is in charge of small and mid-sized businesses in Nigeria should work with the Federal Government of Nigeria (FGN), in addressing the key areas of needs of FBs. SMEDAN is encouraged to develop proposals to the FGN for the formulation of policies that will propel FIs to support FBs, without eroding the firms of their closely guarded autonomy.
7. Relevant programmes encouraging the registration of all types of businesses (micro, small and medium) should be developed and advertised by policy makers. Rebates and significant concessions should be given to facilitate the interest of FB owners in these programmes. The Nigerian government should also formulate strategies that will ensure easy access of FBs to these rebates.
8. All businesses need an enabling business environment to operate. Most of the FBs while completing the research instruments made mention of inadequate infrastructures in the country. Therefore, the Nigerian government should endeavour to invest more on basic infrastructures such as good roads, electricity and water. This will provide one of the most needed government support for small and mid-sized family businesses in the country.

6.5 Limitations of the Study and Future Research Suggestions

As with all research, the findings of this study should be interpreted with certain limitations in mind, despite the provision of tangible evidence of advancing knowledge on family culture, EO, SBO and FP of family businesses in Nigeria. This is to ensure that the validity and generalisation of the study's findings are properly assessed. Below are some of the limitations observed in this thesis.

6.5.1 Limitations of the Sample and Suggestions for Future Research

Although the sample of family businesses obtained in this study is representative of its target population, it was taken from only one state in Nigeria (Lagos). The choice of Lagos is due to it being the largest commercial city in the country and the second largest in Africa; therefore it is a multi-ethnic state. The general slogan for Lagos according to some of the respondents is that “It is no man’s land”. Furthermore, huge financial and man-power resources will be needed to cover the other geo-political regions, in addition to a longer time frame. Despite all these strong justifications for the choice of only Lagos, it is still limiting in scope. Future research should consider using at least one state from each of the six geopolitical zones in Nigeria. This approach will provide a more representative sample.

6.5.2 Methodological Limitations and Suggestions for Future Research

1. This research analysis was conducted, using cross-sectional method of data collection. The collection of data on family culture, for example, may have required more time. This is because very little is known in the literature about how family culture evolves, its absorption into family businesses, and its effect on the different stages of its life cycle. To collect a full spectrum of family culture data (capturing all these information), might require an ethnography research approach for a minimum of 24 months (Wolcott, 1995). To validate the findings from an ethnographic study, the researcher will have to spend several months on the field. However, due to time constraints required to complete this survey and the entire study, engaging in such an approach was not possible.

Future studies should therefore commence the fieldwork on time in order to employ an ethnographic study of family culture within a family business. An ethnographic study could be more informative and might draw out the tangible intrinsic resources embedded in family

culture. Therefore, the significant association between family culture and firm performance might have been stronger than the ones presented in this research, if ethnography approach was used.

2. Probably combining case study methods with the quantitative approach employed in this study would have provided more information on family culture, and the entrepreneurial and small business orientations of family firms. This is because the use of case studies is advocated when little is known about a phenomenon, especially in a particular environment (Punch, 2005). However, in this particular instance, it is important to put the peculiarities of the research location into consideration. First and foremost, to the best of the researcher's knowledge, this is first a detailed study on dominantly family owned, managed, controlled and envisioned family businesses in Nigeria, therefore a large, reliable and more objective data is required. Second, like in most other countries, family businesses tend to protect their families and firms from external probes. Being an initial survey, it was important to obtain the confidence of these families in the research. Therefore, future researches might want to consider combining both case studies and quantitative research methods to provide more insights to the workings of family culture dynamics within a dominantly family owned, managed, and controlled firm. Both case study and ethnography research could also further expose how the advantages embedded in family culture are nurtured and translated into strategic and financial benefits.

3. The EO was adopted from a previous research (Lumpkin et al., 2009). Hence some of the questions were advanced and not tailored to meet the understanding and activities of family businesses in an emerging economy. The EFA also found that the item under competitive aggressiveness from the Lumpkin et al. (2009) EO scale did not load under it, thus it had to be removed completely from the analysis. Although, there are evidences in literature that a similar

EO scale has been used in other emerging economies such as Ghana (Boohene et al., 2012) and Barbados (Price et al., 2013), future researches should endeavour to reword the items in the EO scale to meet the understanding and activities of FBs in Nigeria. This will further reduce the time that the researcher spends on the field, mostly explaining the context of some items to respondents.

3. Another possible limitation of this study is related to the measurement of family culture, using only a 12-item scale (adopted from Astrachan et al., 2002). It is typically not easy to capture an entire phenomenon such as family culture with just 12 items that focus on only two concepts (the overlap between family and business values; and family's strong commitment to the firm). Although a few researchers have tested the validity of this scale of measurement in other research locations (Craig et al., 2014; Zahra et al., 2008); it is still recommended that future studies should incorporate a richer culture scale, that is tailored to a multi-ethnic country like Nigeria. Furthermore, care should also be taken while applying the results on family culture from Nigeria to other cultural settings, especially westernised cultures such as North America and Europe.

4. The study's reliance on a self-reported performance measure maybe biased in situations where respondents are prone to falsify the true financial status of their firms. However, previous researchers (especially in the family business literature) have found family business owners' and/or managers' assessment of their firm performance to be associated with objective performance data [Chirico and Sirmon (2011); Wang (2008); Naldi, Nordqvist, Sjoberg, and Wiklund (2007); Kellermanns and Eddleston (2006); Wiklund and Shepherd, (2003); Wiklund (1999)]. Moreover, most small family businesses operating in emerging countries do not generate financial reports, so researchers are left with self-reported scales. Nevertheless, future

studies should consider alternative and objective avenues of obtaining financial statements from these secretive and closely held family businesses. The use of financial statements would have provided a more objective view of the FBs financial status.

6.5.3 Other Suggestions for Future Research

Other avenues for research are stated below based on the research findings:

1. It is recommended that the developed conceptual framework for exploring the direct and indirect effects (via EO and SBO) of family culture on the performance of family businesses should be reassessed in another research location in Africa. This is to confirm its applicability and generalisation to different research contexts. It is also encouraged to incorporate national culture into this study's conceptual framework so as to conduct cross-national comparative studies.
2. Family involvement, as defined by Chua et al., (1999) encompasses four components: ownership, management, governance and succession. All these were measured independently by the scholars. In this study, family culture is introduced as a key component of family involvement based on the RBV of the firm. Consequently, to have a richer construct measuring family involvement, a richer scale of measurement capturing the five dimensions alongside with family employees (also discussed in Chapter Two of this thesis), should be developed, tested and validated. This will provide a richer and broader scale for measuring family involvement and would further advance the field of family business.
3. It is also recommended that future studies should incorporate multiple sources of respondents from the owner family rather than focusing on the owner-manager only

while researching family culture. This will provide a richer domain of response on each family's rating of family culture within their firm.

4. Although data was collected on network resources in family firms in this study, the already large scope of the study did not permit its usage. The use of individual family networks and its relationship with family culture will further provide more insights into the dynamics of family firms. Perhaps, future study should consider incorporating network resources into future researches on family culture and its relationship to firm performance.
5. The statistically significant finding on the levels of family culture based on gender and generational control shows that this is an area that might need further research. As mentioned in the previous chapter, the founder, who is always represented in the first generation, is likely to have more influence on the strategic behaviour of the firm. Therefore, most of the values, goals, loyalty and tradition of the firm (embedded in family culture and SBO) will be strongly influenced by the founder. Therefore future researches might consider developing a full scale research on multigenerational influence on family culture and firm performance. Other future researchers might also want to obtain larger separate samples of family businesses owned and/or managed by men and women, to tease out the influence of gender on the family culture and firm performance relationship.
6. The insignificant relationship found in the difference in family culture levels of the four ethnic groups investigated in this study is another area that requires further research. It is therefore suggested that samples of family businesses should be obtained in the geographical regions where these ethnic groups are domiciled in Nigeria to test whether the family culture exhibited by these four ethnic groups actually differ and if location has

actually had a significant effect on this variable.

6.6 Concluding Remarks of the Study

This study examines how family culture influences the performance of family businesses. Prior to now, numerous scholars have argued and empirically shown that family businesses are indeed different from non-family businesses based on their involvement in ownership, management, governance and succession (Chua et al., 1999). In order to expand the body of knowledge on family involvement, an evolving phenomenon, family culture is presented in this thesis as a unique, rare, valuable, imitable, idiosyncratic resource that could serve as a competitive advantage in family firms. The phenomenon of culture in family firms has only been explored in few studies; therefore, it is still an emerging field of research in literature.

Organisational culture has been established by previous scholars as important strategic resources that family firms can use to gain a competitive advantage (Zahra et al., 2004). Consequently, motivated by the thought that family culture (a focus on the family rather than the organisation) might present a superior source of competitive advantage to family firms, this study explores the influence of family culture on firm performance, while also examining the factors that will enhance or impact negatively on this relationship. The study of family's dynamics in this context is especially important now, due to the rapidly changing global business climate. All knowledge, skills and understanding of the familial resources that will create competitive advantages for family business are needed.

This increasing competitive economic landscape is also creating challenges for publicly-owned firms, who are hitherto backed by their financial and economic advantage, to achieve positive firm performance. Consequently, it is therefore important, for smaller privately-held family

businesses operating in harsh economic environments such as Nigeria, to look more inward and harness all available resources necessary to maintain an acceptable performance level. Family culture has been found in this study to impact on firm performance positively. Therefore, the recognition of individual family and business values, how these overlap, the factors that promote the commitment of individual family members to the firm, and what fuels their loyalty to the business must be studied and embraced by family firms.

Furthermore, the significant influence of the first generation and women on family businesses, specifically in ensuring that intrinsic family values, goals, norms, and traditions, are taught to the next generation is very important. This will create the platform for sustainable family culture across generations.

Overall, this study shows the strategic importance of family culture for family businesses; the need for family firms to adopt acceptable levels of EO dimensions and SBO; and the significant effects of the first generation and women on higher level of family culture in family businesses. However, it is essential to reiterate the need for more scholarly researches on family culture in family businesses, especially in a broader scope that will tease out specific resources inherent in the phenomena, while paying attention to the major ethnic groups in Nigeria. Such studies will be beneficial to expanding the existing body of knowledge on family culture, its relationship to Entrepreneurial Orientation, Small Business Orientation, gender, generational involvement in the firm and ultimately, firm performance.

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Appendix 1: Definitions for Family Business - Historical Presentations of Theoretical Definitions used by Authors/Researchers in Different Countries

AUTHOR (S)	YEAR	COUNTRY	DEFINITION	CLASSIFICATION
Donnelley, R. ³	1964	US	A business that has been closely identified with at least two generations of a family with a link that has had a mutual influence on company policy and on the interests and objectives of the family	Succession; Governance
Church, R.A., ¹	1969	UK	A firm in which the whole capital is privately held; all important and administrative posts are held by members of the same family	Ownership; Family Employees; Management
Channon, D.F. ¹	1971	UK	A firm in which a family member is the Chief Executive Officer with two generations of family control and a minimum of 5% voting stock is still held by the family or trusts interest associated with it	Management; Succession
Bernard, B. ³	1975	UK	An enterprise, which in practise is controlled by the members of a single family	Governance/ Control
Barnes, L.B., & Hershon, S.A. ³	1976	US	A business that has the controlling ownership resting in the hands of an individual or of the members of a single family	Ownership
Davis, J.A., & Tagiuri, R. ³	1982	US	An organisation where two or more extended family members influence the direction of the business through the exercise of *kinship ties, management roles, or ownership rights	Governance/Control; 'Management or Ownership'
Davis, P. ³	1983	US	A firm, whose policy and direction are subject to significant ownership and management influence by one or more family units	Ownership; Management
Rosenblatt, P.C., deMik, L., Anderson, R.M., & Johnson, P.A. ³	1985	US	Any business in which the majority ownership and control lies within a single family and in which two or more family members are or were previously involved in the business directly	Ownership; Governance/Control
Stern, M. H. ³	1986	US	A business owned and managed by members of one or two families	Ownership; Management
Ward, J.L.	1987	US	A business that will be passed on for the family's next generation to manage and control	Succession; Management; Control
Lansberg, I., Perrow, E., & Rogolsky	1988	Latin America	A business in which the members of a family have legal control over ownership	Ownership
Morck, R., Shleifer, A. & Vishny, R.	1988	US	A firm in which a member of the founding family is among the top two officers	Management
Handler W.C.	1989	US	Family business has been defined as a business that is owned and controlled by one or more family members	Ownership; Governance/Control
Sachse W.	1991	Germany	A firm in which an entrepreneurial family owns at least a small share of the business and displays a deep and long-lasting commitment to it by somehow being involved in its strategic decisions. f	Governance
Gallo, M.A., & Sveen, J. ³	1991	Spain	A firm where a single family owns the majority of stock and has total control.	Ownership; Control/Governance
Aronoff C.E., & Ward J.L.	1995	US	A business that is owned and managed by one or more family members	Ownership; Management
Lyman, A.R.I.	1991	US	A firm in which ownership has to reside completely with family members , at least one of the owners has to be employed in the business and one other family member should either be employed formally to help out with the business or informally on a regular basis	Ownership; Family employee
Bowman-Upton, Nancy	1991	US	A business in which majority of the ownership or control lies within a family, and in which two or more family members are directly involved.	'Ownership or Control'; Management
Hayward Stoy ¹	1992a	UK	A firm in which the family has a considerable impact on the ongoing and future operations of the business and meets one or more of these criteria: a) more than 50% of the voting shares are owned by a single family; b) a single family group is effectively controlling the firm; c) a significant proportion of the firm's senior management is drawn from the same family	Ownership; Governance; Management; Succession
Daily, C.M., & Dollinger, M.J. ⁴	1992	US	A business that employs key managers that are related to the owner	Family Employee; Ownership
Binder Hamlyn ¹	1994	UK	A firm in which the directors in the company has family relationship	Governance
Ibrahim, A. & Ellis, W.H.	1994	US	A business in which a member of the founder's family manages the business and the same family still owns a controlling interest even after a succession has taken place	Management; Ownership; Succession
Carsrud, A.L. ³	1994	US	A business in which ownership and policy making are dominated by members of an emotional *kinship group	Ownership; Governance
Astrachan & Kolenko	1994	US	A business with the family owning over 50 percent of the business in a private company or more than 10 percent of a public company.	Ownership
Litz, R. A.	1995	Canada	A business can be defined as a family business when its ownership and/or management are concentrated within a family unit	Ownership; and/or Management
Alden Lank	1996	UK	A company in which a given family controls the voting equity	Governance/Control
The Australian Family and Private	1997	Australia	A business in which any one or more of the following criteria are met: more than 50 per cent of	Ownership and/or Governance and/or

Business Surveys			the ownership was held by a single family; a single family group effectively controlled the business; or the majority of senior management was drawn from the same family.	Management
Beehr, T., Drexler, J.A. & Faulkner, S. ⁴	1997	US	A firm which is owned by a family and has at least one member of the family as an employee	Ownership; Family Employee
Westhead, P., & Cowling, M.	1998	UK	An enterprise in which more than 50 percent of ordinary voting shares are owned by members of the largest single-family group related by blood or marriage; one or more of the management team is drawn from the largest family group that owns the business	Ownership; Management
McConaughy, D., Walker, M., Henderson Jr., G. & Mishra C.	1998	US	A public corporation in which the Chief Executive Officer is the founder or member of the founder's family.	Management
Davis, P.S., Harveston, P.D.	1998	US	A business that is owned or controlled by family members with the family involved in or influencing business matters	Ownership; Governance
Winter, M., Fitzgerald, M., Heck, R., Haynes, G., & Danes, S.	1998	US	A firm, in which the owner manager has been in business for at least a year, works at least six hours per week, year round or a minimum of 312 hours a year in the business and is involved in the day-to-day management, and resides with another family member.	Ownership; Management
Chua, J.H., Chrisman, J.J., & Sharma, P	1999	Canada	A business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition, controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families	'Governance/Control and/or Management and/or Ownership; Succession
Smith, B. & Amoako-Adu, B.	1999	Canada	A firm in which a person or group of individuals related by family ties holds the largest *block and at least 10% of the total votes	Ownership
Popczyk, & Popczyk ²	1999	Poland	A business with majority of shares which is transferred to the next generation; it is the main source of income for the family and family members are involved in building a common wealth. It employs family members	Management; Succession; Family Employee
Casson, Mark C.	1999	UK	A firm in which family members own sufficient voting shares or occupy sufficient places on the Board, to determine the appointment of the General Manager or Chief Executive Officer or the General Manager is an member of this family	Ownership; 'Governance or Management'
James, Harvey.S. Jr.	1999	US	Family firm defined as a privately owned and held company that will be inherited and controlled by one or more of the founder's children on his retirement	Ownership; Succession; Governance/Control
Ashley-Cotleur, C., & West King, S.	1999	US	A business that has two or more family members working in the business, who have financial and managerial control, and/or an intergenerational transfer has taken place	Family Employee; Management; Succession
La Porta, Lopez De-Silanes & Shleifer	1999	US	A firm that has a family member (rather than a state, corporation, management trust or mutual fund) owning shares worth at least 20% of the voting rights and the highest percentage of voting rights in comparison to other shareholders. The family member is assumed to own these shares due to family ties, pyramids and cross shareholding.	Ownership.
Upton, N., and Petty, W.L.	2000	US	A firm owned and operated by two or more family members	Ownership; Management
Ang, J., Cole, R. & Lin, J.	2000	US	A firm in which a single family controls more than 50% of the firm's shares.	Ownership
Kelly, L M., Athanassiou, N., & Crittenden, W.F.	2000	US	A firm in which there is both significant family ownership and family involvement in management; furthermore, leadership and control will be passed to future generations	Ownership; Management; Succession
Romero, L.	2001	Latin America	A business with the presence and controls of owners and relatives in the company.	Ownership; Governance; Family Employee
Hulshoff H.	2001	The Netherlands	A business in which more than 50% of the voting shares are owned by one single family and more than 50% of the management team are drawn from the family that owns the business and the company is owned by second-generation or later family members	Ownership; Management; Succession
McConaughy, D., Matthews, C., & Fialko, A.S. ⁴	2001	US	Public corporations whose CEOs are either the founder or a member of the founder's family	Management
Claessens, S., Djankov, S. & Lang L.	2000	Asia	A firm in which there is a presence of a group of people related by blood or marriage with large ownership stakes	Ownership; Family Employee
Astrachan, J., Klein, S., & Smyrniotis	2002	Germany	An organisation where a family (or several families) has effective control over the strategic direction of the business, and where the business, in turn, makes important contributions to that family's wealth and identity	Governance
Bartz-Johannesen, P. ²	2002	Norway	A firm that is owned and controlled by the founder and the founder's family or by one or more heirs	Ownership; Governance/Control
Chrisman, J., Chua, J., & Steier, L.	2002	US	A business with ownership, management and an expectation of trans-generational management	Ownership; Management; Succession

			succession within the family.	
GEEF - 'European Group of Owner Managed and Family Enterprises'	2003	Europe	A firm of any size is considered to be a family enterprise if the majority of votes is in the possession of the natural person(s) who established or has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs and at least, one representative of the family or *kin is involved in the management or administration of the firm	Ownership; Management
Gomez-Mejia, L., Larraza-Kintana, M. & Makri, M.	2003	Spain	A business in which two or more directors has a family relationship (i.e. father, mother, sister, brother, son, daughter, spouse, in-laws, aunt, uncle, niece, nephew or cousin) and family members own or control at least 5% of the voting stock	Governance
Astrachan, J., & Shanker, M.	2003	US	A firm, where a family controls the strategic direction of the firm and also participates in the management of the firm; 2 nd definition: the business is run by a founder or his descendant and is intended to remain in the family; and finally, the extra criteria of multiple-generation participation in the business was introduced and in addition, more than one member of the owner's family must have management responsibility	Governance/Control; Management and Succession
Olson, P., Zuiker, V., Danes, S., Stafford, K., Heck, R. & Duncan, K.	2003	US	A business that is owned and managed by one or more members of a household of two or more people related by blood, marriage or adoption	Ownership; Management
Anderson, R.C., & Reeb, D.M. ⁴	2003	US	A firm in which the family has ownership and continues to have ownership stake; the family has seats on the board and the founding CEO is still the current CEO or a descendant of the CEO is the CEO.	Ownership; Governance; Management; Succession
Harijono, Ariff, M and Tanewski, G A ²	2004	Australia	A firm in which 30% of shares are owned by a family; in addition to this, a family member serves a key executive role and at least one or more family member serve on the board	Management; Governance
The Family Entrepreneurship Working Group- Finnish Ministry of Trade and Industry	2004	Finland	Firms in which majority of votes are held by the person who established or acquired the firm or their spouses, parents, children or children's direct heirs; at least one representative of the family is involved in the management or administration of the firm	Ownership; Management
Family Entrepreneurship Working Group- Finnish Ministry of Trade and Industry ²	2004	Finland	A listed company is considered to be a family firm if the people who established or acquired the firm or their families possess 25% of the right to vote through their share capital and there is at least one family member on the board of the company.	Ownership; Governance
Sułkowski, L.	2004	Poland	A firm that is owned and managed by the founder or his male descendants, many family members work in the company (45 % of the enterprises in Poland fall under this category)	Ownership; Management; Family Employees
Sułkowski, L.	2004	Poland	A firm that is managed by an informal family council (15 % of the enterprises in Poland fall under this category)	Management
Getz, D., & Carlson, J.	2000	UK	A business venture owned and operated by an individual, couple(s) or a family.	Ownership; Management
Le Breton-Miller, I., Miller, D., & Steier, L.	2004	US	A business of management succession where firm leadership is passed from one family member to another and in the absence of a competent family contender in the short-term, a bridge manager between family tenures	Management; Succession
Zahra, S. A., Hayton, J. C., & Salvato, C	2004	US	A business which has the presence of both a family member with some identifiable share of ownership of the firm and multiple generations of family members in leadership positions within the firm	Ownership; Management; Succession
Poza, Ernesto J	2004	US	An enterprise where two or more family members or a partnership of families hold 15 percent or more of the ownership control; the family influences strategic decisions within the firm by serving on the management team or by serving as board members; where family members are present or employed in the business, to maintain unity; and where the family intends to retain control of the firm in the future	Ownership; 'Management; or Governance'; Family Employees; Succession
Czernich, Guggenberger, & Schwarz ²	2005	Austria	A business in which a direct family line holds the absolute majority of votes; has family members involved in the running of the business and at least one family member is actively involved in the operative business management	Ownership; Family Employees; Management
Rettab, B., Fakhr, T., & Morada, M.	2005	Dubai	A business in which at least 51% of the shares are owned by one single United Arab Emirates 'UAE' family (family consisting of husband, wife, children, parents, brothers and sisters); and at least one member of the management team is drawn from the family that owns the business.	Ownership; Management
EHRHARDT, O., NOWAK, E., & WEBER, F	2005	Germany	A firm which is owned and controlled by a family with strong plans to pass it on to the next generation.	Ownership; Governance; Succession
Gibb Dyer, W., & Mortensen, S.O.	2005	Lithuania	A firm in which two or more family members work in	Family employees

Hillier, D, Linn, S C and McColgan, P ²	2005	UK	A firm in which the CEO is the founder or a descendant of the founder	Management
PriceWaterhouse Coopers ²	2006	France	A firm in which a family owns all or part of the shares and also manages the business.	Ownership; Management
Nowak, E., Ehrhardt, O., & Weber, F.M ²	2006	Germany	A firm in which 50% of shares is owned by a family	Ownership
Poutziouris, P., Smyrniotou, K., & Klein, S.	2006	UK	A business that has more than one member of the owner's family in the business with significant management responsibility; has family members on the payroll and also have multiple generations involved in the business	Ownership; Management; Family Employees; Succession
Villalonga, B. & Amit R.	2006	US	A firm in which the founder or a member of his or her family by either blood or marriage is an officer, director, or *block holder, either individually or as a group.	Management ; Ownership
Lee, Jim	2006	US	A family business is defined broadly as one in which the family either has significant ownership or management control	Ownership or Management
Maury, B.	2006	Western Europe	A firm in which an individual, family or an unlisted firm (unlisted firms are closely held firms and usually considered under family controlled firms) is the largest controlling shareholder, holding at least 10% of the voting rights.	Ownership
Mroczkowski, N., & Tanewski, G.	2007	Australia	A <i>family business</i> is defined as an entity controlled by a private individual, directly or indirectly, in conjunction with close family members.	Control/Governance
Baeten, & Dekocker ²	2007	Belgium	A firm with at least 3 family members active within the company or at least 2 generations having had control over the company or the next generation being prepared to enter the company	Family Employee; or Governance; or Succession
Martinez, J., Stohr, B., & Quiroga, B.	2007	Chile	A business which is clearly controlled by one or more families with clear descendants	Governance; Succession
Økonomi- og Erhvervsministeriet ²	2007	Denmark	A firm in which a family has control over the company by owning 50 % of the shares, or having 50 % of the shares and a member of the family is the CEO.	Ownership; Management
Økonomi- og Erhvervsministeriet ²	2007	Denmark	A firm in which a family has significant influence; the family is the largest owner; at least one family member is either the CEO or a member of the board and a minimum of one generation succession realised	Ownership; Management; Governance; Succession
Baczko T. ²	2007	Poland	A single-person company (self-employed) in which other family members are involved in their activities (even unofficially) and the company is the only source of income for the family. <i>'Research show that self-employment is a typical form of ownership among Polish family enterprises'</i>	Ownership; Family Employee
Miller, D., Le-Breton-Miller, I., Lester, R. & Cannella, A.	2007	US	A firm in which multiple members of the same family are involved as major owners or managers either contemporaneously or over time	Ownership or Management
Lau, J., Evans, E., & Wright, S.	2008	Australia	A firm in which the leadership structure is dominated by a family	Management
Saito, Takuji	2008	Japan	Firms where the founding family has an influence over firm policy, corporate strategy, personnel issues and other key decisions, through ownership and participation in management. <i>'In this definition, the researcher considers the founder of the family firm or his descendant as the president or chairman and/or the founding family is the largest shareholder in the firm'</i>	Governance; Ownership; Management
Fletcher Denise E.	2008	UK	A business in which ownership is held between family members who are also widely involved management roles	Ownership; Management
Institute of Family Business Report (IFB)	2008	UK	A business that is owned and managed by an individual (or family); family members help out informally	Ownership; Management
Institute for Family Business (IFB)	2009	Europe	A firm of any size of which the majority of direct or indirect decision-making rights is in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs; and at least one representative of the family or *kin is formally involved in the governance of the firm.	Governance; Ownership
Mandl, I. ² 'A study carried out on behalf of European Commission, Enterprise and Industry Directorate-General'	2009	Italy	An enterprise in which members of the family unit (husband, wife, high degree of *kinship) work and have the ownership	Family Employee; Ownership

Mandl, I. ² 'A study carried out on behalf of European Commission, Enterprise and Industry Directorate-General'	2009	Lithuania	An enterprise is a family business if established during the marriage period of a couple. The couple (both spouses) has joint obligations for the company and the mutual right to participate in management and control.	Ownership; Management; Governance or Control
Mandl, I. ² 'A study carried out on behalf of European Commission, Enterprise and Industry Directorate-General'	2009	Romania	An enterprise established at the initiative of an individual and comprising his/her family members (husband, wife, children over 16 years as well as their relatives)	Ownership; Family Employees
QFINANCE 'The Ultimate Resource'. Textbook compiled by Bloomsbury Information Limited	2009	UK	A business owned and run by a family; family members are usually majority shareholders and retain control of the board of directors, although non-family directors and shareholders will have an influence on the way the company is run. It may be organized as a sole proprietorship, partnership, corporation, or limited liability company	Ownership; Management; Governance
Boubakari, Ake & Feudjo, Roger. J. 2010	2010	Cameroon	In Cameroon, a family firm is defined as one in which capital for the business is concentrated in the hands of one person, with family members of the proprietor involved in the management of the company and low financing by bank loans.	Control or Governance; Ownership; Management

*Control: Control is broadly defined as the capacity to dominate decision-making; for the purpose of this classification, it is applied synonymously with Governance

*Blockholders: Blockholders are owners of 5% or more of the firm's equity either individually or as a group.

*Kinship group: A group of people related by blood or marriage

1. Information gathered from summary done by Westhead, P. & Cowling, M. (1998)- *Family Firm Research: The Need for a Methodological Rethink- ET&P, 1998*

2. Mandl, I. (2008). 'Overview of Family Business Relevant Issues: 'A study carried out on behalf of European Commission, Enterprise and Industry Directorate-General'

3. Information gathered from summary done by Chua J.H., Chrisman, J.J., & Sharma, P. – *Defining the Family Business by Behaviour – ET&P, 1999.*

4. Information gathered from summary done by Dyer, W. G., Jr. (2006). - *Examining the "Family Effect" on Firm Performance* Family Business Review, 2006.

APPENDIX 2: KEY RESEARCHES, STUDIES AND PUBLICATIONS ON FAMILY BUSINESSES (1953 TO 2010)			
S/N	YEAR	AUTHOR(S)/SCHOOL(S)/ ASSOCIATION (S)	PUBLICATION(S)/ARTICLE(S)/MILESTONE(S) ACHIEVED
1	1953	Calder H. Grant	Grant was the first author to complete a doctoral thesis on family business studies in School of Business, Indiana University, North America. The title of his dissertation was “ <i>Some Management Problems of the Small Family Controlled Manufacturing Business</i> ”.
2	1953	Christensen C. R.	A book was written by Christensen relating to Family Business and published by Harvard University Press, Boston, Division of Research. Title was “ <i>Management Succession in Small and Growing Enterprises</i> ”.
2	1954	Indiana University	Indiana University in 1954 published the first family business specific case book titled “ Cases in Management of Small Family Controlled Manufacturing Business ”.
4	1958	Sweet & Maxwell, London	This was English’s book titled “ <i>Financial Problems of the Family Company</i> ” published Sweet and Maxwell, London.
5	1961	Trow D. B.	Trow published an article in Administrative Science Quarterly, 6, p. 228-239 titled “ <i>Executive Succession in Small Companies</i> ”.
6	1961	Cambien	This is the first Family Business book in Dutch written by Cambien. Title is “ <i>Family Problems in the Business</i> ”. Published by the Council of Dutch Employers Association
7	1961	Calder	Calder’s article: The peculiar problems of family businesses, published in <i>Business Horizons</i> , 4(3).
8	1962	Danco, ‘Léon’ and ‘Katy’	The “ <i>The Centre for Family Business</i> ” was co-founded by Léon and Katy Danco in Cleveland, Ohio. This is America's oldest national organization for business owners and their families.
9	1963	Rice, Kenneth. A.	Published a book titled “ <i>The Enterprise and its Environment</i> ”, Tavistock Publications, London.
10	1964	Donnelley, Robert	Robert Donnelley wrote an article published in Harvard Business review 42(3) titled: “ <i>The family business</i> ”.
11	1965	Ewing, David	David Ewing wrote an article titled: “ <i>Is Nepotism So Bad</i> ” published in Harvard Business Review, 43(1).
12	1967	Miller, Eric and Rice, Kenneth A.	Published... “ <i>Systems of Organization</i> ”, Tavistock Publications, London.
13	1968	Churchman	Churchman publishes “ <i>The systems approach</i> ”, Dell Publishers, NY.
14	1968	Alfred Lief	Alfred Lief’s book on <i>Family Business: “A century in the life and times of Strawbridge & Clothier</i> ” published by McGraw-Hill Book Company.
15	1968	Danco, Léon	Léon Danco holds the first interdisciplinary seminar on family business
16	1969	Cambreng, Robert	Robert Cambreng published an article titled: “ <i>The case of the nettlesome nepot</i> ”, in Harvard Business Review, 48(2).
17	1969	Monsen, Joseph R.	Joseph Monsen’s article titled: “ <i>Ownership and Management: The Effect of Separation on Performance</i> ”, published in Business Horizons 12(4).
18	1971	Levinson Harry	Published an article titled: “ <i>Conflicts that plague family business</i> ” in Harvard Business Review, 49(2).
19	1972	Ianni & Ianni	Published a book titled: “ <i>A family business</i> ” by Russell Sage Foundation, New York.
20	1974	Levinson Harry	Wrote an article titled: “ <i>Don’t choose your own successor</i> ” published in Harvard Business Review, 52(6).
21	1975	Léon Danco	Wrote an article “ <i>Beyond survival: a business owner's guide for success</i> ” published by Reston Publishing.
22	1975	Bernard Barry	Wrote an article titled: “ <i>The development of organisation structure in the family firm</i> ”, published in Journal of General Management, 3(1).
23	1975	Hershon, Simon A.	Simon A. Hershon completes his dissertation titled: “ <i>The Problem of Management Succession in Family Businesses</i> ”, Harvard University
24	1975	Renato Bernhoeft	The first dedicated family business consulting firm established: “ <i>Bernhoeft Consultoria</i> ” in Brazil founded by Renato Bernhoeft
25	1975	Loyola University- Ralph Marotta	Ralph Marotta Chair of Private Enterprise established at Loyola University. While the original purpose was to promote free enterprise education, an interest in family business emerged in 1978.
26	1976	Barnes and Hershon	Wrote an article titled: “ <i>Transferring power in the family business</i> ” published in Harvard Business Review, 53(4).
27	1976	Dailey, Thomas and DeMong	Dailey, Thomas, and DeMong’s article titled: “ <i>Uncertainty and the Family Corporation</i> ”, Journal of General Management 4(2).
28	1977	Dailey, Thomas, and DeMong	Published an article entitled: “ <i>The family owned business: Capital funding</i> ”, American Journal of Small Business 2(2).
29	1978	Baylor University (Chair Holder – Nancy Upton)	Streich Chair in Family Business established at Baylor University
30	1978	Becker and Tillman	Becker & Tillman’s book titled: “ <i>The family owned business</i> ” published by the Commerce Clearing House, Chicago.
31	1978	Longnecker and Schoen	Longnecker & Schoen’s article entitled: “ <i>Management succession in the family business</i> ” published in Journal of Small Business Management, 16(3)
32	1979	Armangue Joaquin de Arquer	Armangue Joaquin de Arquer publishes the first family business text book in Spanish: “ <i>La empresa familiar</i> ”. Ediciones Universidad de Navarra, Spain.
33	1980	Yoram Ben-Porath’s	Yoram Ben-Porath’s article entitled: “ <i>The F-Connection: Families, Friends and Firms and the Organization of Exchange</i> ” published in Population Development Review, 6(1).
34	1980	Miriam Tashakori	Miriam Tashakori publishes “ <i>Management Succession: From the Owner-Founder to the Professional President</i> ”, Praeger Press, New York.
35	1981	Kennesaw State College (First Chair holder – Craig Aronoff appointed in 1983)	“ <i>Chair of Private Enterprise</i> ” established at Kennesaw State College (now University).
36	1981	Elaine Kepner	Elaine Kepner presents a workshop on “ <i>Family dynamics and family owned organizations</i> ” at the Gestalt Institute of Cleveland conference.

37	1981	Gary Becker	Nobel Laureate Gary Becker publishes his economic look at the family, " <i>A Treatise on the Family</i> ". Harvard University Press.
38	1982	Wharton Applied Research Centre (Founding Director- Peter Davis)	" <i>Wharton Family Business Program</i> " launched at the Wharton Applied Research Centre.
39	1982	M. Craig Brown	M. Craig Brown's article entitled: " <i>Administrative succession and organizational performance: The succession effect</i> ". Administrative Science Quarterly 27(1).
40	1982	Pat Alcorn	Pat Alcorn publishes " <i>Success and Survival in the Family-Owned Business</i> ", McGraw-Hill, New York.
41	1982	John A. Davis	John A. Davis completes his dissertation entitled: " <i>The influence of life stage on father-son work relationship in family companies</i> ". Harvard University. The first presentation of the three-circle model is on pages 14-15.
42	1982	John Davis and Renato Tagiuri	John Davis and Renato Tagiuri develop the first compendium of literature on family-owned business entitled: " <i>Bibliography on Family Business</i> "; unpublished document, Harvard Business School. *
43	1982	Leslie Hannah	Leslie Hannah compiles proceedings of the Eleventh International Economic History Congress entitled: " <i>From Family Firm to Professional Management</i> ", Akademiai Kiado, Budapest. (Several articles focus on patterns in the role of family capitalism across various nations).
44	1983	Organizational Dynamics (Richard Beckhard and Warner Burke)	<i>Organizational Dynamics</i> publishes a special issue on family business studies (Co-Editors: Richard Beckhard and Warner Burke).
45	1983	Barbara S. Hollander	Barbara S. Hollander completes her dissertation entitled: " <i>Family-Owned Business as a System: A Case Study of Family, Task, and Marketplace</i> ". Unpublished document, University of Pittsburgh.
46	1983	Karen L. Vinton	Karen L. Vinton completes her dissertation entitled: " <i>The Small, Family-Owned Business: A Unique Organizational Culture</i> ". Unpublished document, University of Utah.
47	1983	Bechtle	Bechtle completes " <i>Die Sicherung der Führungsnachfolge in der Familienunternehmung</i> " (<i>How to secure leadership succession in the family firm</i>), University of St. Gallen, Switzerland. First Family Business study in German.
48	1983	Canadian Association of Family Enterprise	Canadian Association of Family Enterprise founded in Canada (a not-for-profit association of family business owners, 15 founding directors).
49	1984	W. Gibb Dyer Jr.	W. Gibb Dyer Jr. completes his dissertation entitled: " <i>Cultural evolution in organizations: The case of a family owned firm</i> ", Sloan School of Management, Massachusetts Institute of Technology.
50	1984	Yale (Founding members were Joe Astrachan, Ivan Lansberg, Sharon Rogolsky)	Yale establishes program for the Study of Family Firms. First MBA elective course entitled: " <i>Management of the Family Business</i> " offered at the University of Southern California.
51	1984	Akio Okochi and Shigeaki Yasuoka	Akio Okochi and Shigeaki Yasuoka edit proceedings of the Tenth International Fuji Conference entitled: " <i>Family business in era of industrial growth</i> ", University of Tokyo Press.
52	1985	Oregon State University (Founding Director – Patricia A. Frishkoff)	1985 The College of Business, Oregon State University starts the second university based Family Business Program in the US.
53	1985	Rosenblatt & deMik	Rosenblatt & deMik publish: " <i>The family in business</i> ", by Jossey Bass Publishers
54	1985	Family Business Research Conference (Chair – John Davis)	First Family Business Research Conference, University of Southern California (Chair: John Davis; 30 attendees)
55	1985	Robert Pollack	Robert Pollack's article entitled: " <i>A transaction cost approach to families and households</i> " published in the Journal of Economic Literature, volume 33
56	1986	Family Firm Institute Inc. (Founding President – Barbara Hollander)	First Family Firm Institute Inc. (FFI) – Founding President – Barbara Hollander)
57	1986	W. Gibb Dyer Jr.	W. Gibb Dyer Jr.'s book: " <i>Cultural change in family firms</i> " published as part of the Jossey-Bass series on Management of Family Owned Businesses (Consulting Editors: Richard Beckhard, Peter Davis, Barbara Hollander).
58	1986	Kennesaw State College (Founding Director – Craig Aronoff)	Kennesaw State College (now University) establishes the Family Business Centre.
59	1986	Andrew Errington	Andrew Errington edits, " <i>The Farm As a Family Business: An Annotated Bibliography</i> ", Agricultural Manpower Society, University of Reading Farm Management Unit.
60	1987	John Ward	John Ward's book: " <i>Keeping the Family Business Healthy</i> " published as part of the Jossey-Bass series on Management of Family Owned Businesses (Consulting Editors: Richard Beckhard, Peter Davis, Barbara Hollander).
61	1987	University of Navarra, Barcelona (Chair holder – Miguel Angel Gallo)	First Family Business Chair established in Europe at IESE Business School, University of Navarra, Barcelona.
62	1987	Institute for Family Enterprise (Founding Director – Nancy Upton)	Institute for Family Enterprise established at Baylor University.
63	1987	Frank Tilley	First family business study group launched in Europe by Executive-in- Residence - Frank Tilley, IMI, Geneva, Switzerland.
64	1988	Family Business Review 'Journal'	" <i>Family Business Review</i> " launched and began publication; (Editor-in-Chief: Ivan Lansberg). A Jossey-Bass publication.
65	1988	FFI Research Conference	First FFI research conference hosted by Boston University School of Management, (Chair: Marion McCollom Hampton).
66	1988	Carl R. Zwerner	Carl R. Zwerner endowed professorship in Family Business established at Georgia State University in the US; (Chair holder- Frank Hoy)
67	1988	IMD, Geneva (Founders: Alden Lank and	First international education seminar launched at IMI, Geneva (<i>now IMD</i>) entitled: " <i>Leading the Family Business</i> " (Founders: Alden Lank & Frank Tilley;

		Frank Tilley)	Faculty: John Davis, Ivan Lansberg, & John Ward).
68	1988	Gerald Stempler	Gerald Stempler completes his dissertation entitled: “ <i>A Study of Succession in Family Owned Businesses</i> ”. Unpublished dissertation, George Washington University, Washington, D.C.
69	1988	James Richard Legler	James Richard Legler completes his dissertation entitled: “ <i>An Integrated Systems Framework for Analyzing Family Business Planning</i> ”. Unpublished dissertation, Oregon State University.
70	1989	Baylor University (Chair – Nancy Upton)	Baylor University establishes “ <i>Institute for Family Business</i> ” and conducts first conference
71	1989	Thomas A. Teal and Geraldine E. Willigan	“ <i>The outstanding outsider and the fumbling family</i> ”, by Thomas A. Teal and Geraldine E. Willigan. First family business case published in <i>Harvard Business Review</i> .
72	1989	Family Firm Institute	FFI established the Best Doctoral Dissertation Award (First award recipient: Colette Dumas) and the Best Unpublished Research Paper Award (First award recipient: Stewart Malone).
73	1989	Wendy Handler	Wendy Handler completes her dissertation entitled: “ <i>Managing the family firm succession process: The next generation family member’s experience</i> ”. Boston University.
74	1989	Family Business Publishing Company	Premier issue of <i>Family Business Magazine</i> . Published by Family Business Publishing Company, Philadelphia. (Chairman: Milton L. Rock).
75	1990	Family Business Network (FBN)	Founding of the Family Business Network (FBN). First FBN World Conference held in Switzerland chaired by FBN’s founding President: Albert Jan Thomassen. FBN’s founding director: Alden G. Lank.
76	1990	Groningen University, Netherlands	First Family Business for credit Master’s course offered in Europe at the School of Management and Organization, Groningen University, Netherlands.
77	1990	Family Business Executive Program (Founded by Jon Martinez)	“ <i>Leading the Family Business Executive Program</i> ” launched at the Universidad Adolfo Ibanez in Santiago, Chile (Founded by Jon Martinez; 60 participants, ‘Offered twice a year’).
78	1990	Loyola Family Business Centre	Loyola Family Business Centre established.
79	1991	John L. Ward	John L. Ward’s book: “ <i>Creating Effective Boards for Private Enterprises: Meeting the Challenges of Continuity and Competition</i> ” published by Jossey-Bass Publishers.
80	1991	Nan-b and Philippe de Gaspé Beaubien	“ <i>Montreal Institute for Family Enterprise</i> ” which later evolved into the “ <i>Business Families Foundation</i> ” (BFF) established by Nan-b and Philippe de Gaspé Beaubien.
81	1992	Family Firm Institute Inc.	First FFI Educators Conference hosted by North-eastern University Center for Family Business, Boston.
82	1992	IMD Business School	IMD Business School in Lausanne, Switzerland establishes family business chair.
83	1992	Journal of Family and Economic Issues	<i>Journal of Family and Economic Issues</i> publishes two special issues entitled: “ <i>At-home income generation</i> ” (Editors: Mary Winter; Ramona K. Z. Heck).
84	1993	Survey of Family Businesses (Chaired by Craig Aronoff)	1993 First Mass Mutual Annual Gallup survey of family businesses, the first large sample study of Family Businesses in the United States (Chair: Craig Aronoff).
85	1993	Family Business Network (FBN)	FBN organizes its first research conference at the Annual World Conference, hosted by Bocconi University, Italy (Co-Chairs: Guido Corbetta and Daniela Montemerlo).
86	1993	Business History Journal	<i>Business History</i> publishes a special issue on “ <i>Family Capitalism</i> ” (Co-Editors: Geoffrey Jones and Mary B. Rose)
87	1994	United States Association of Small Business Enterprise (USASBE)	Family Business Division established at the United States Association of Small Business Enterprise (USASBE).
88	1994	Entrepreneurship Theory and Practice (ET&P)	<i>Entrepreneurship Theory & Practice</i> publishes a special issue on family business studies (Co-Editors: Gibb W. Dyer Jr., and Wendy Handler).
89	1994	Family Firm Institute Inc.	FFIs Case Series Project launched (Editor – Jane Hilburt-Davis).
90	1994	Scott Kunkel	FAMILYBIZ listserv established by Scott Kunkel, University of San Diego.
91	1994	International Family Business Program Association (IFBPA)	International Family Business Program Association (IFBPA) founded. Annual conferences held from 1994-1998.
92	1994	Australian Centre for Family Business	Australian Center for Family Business, Bond University commences operations. First Family Business Center in Australia.
93	1994	Max Wortman	Max Wortman publishes first major review article of “ <i>family business studies</i> ” in <i>Family Business Review</i> .

94	1994	Familiebedrijf (Family Business Magazine)	First dedicated magazine for family businesses in Europe: <i>"Familiebedrijf"</i> . Published in Netherlands.
95	1994	Ibrahim and Ellis	Ibrahim and Ellis publish <i>Family Business Management: Concepts and Practice</i> , Kendall / Hunt Publishers. First family business text book in English
96	1995	Psychodynamics of Family Businesses Conference	1995 The first annual Psychodynamics of Family Businesses (PDFB) conference hosted by the North-western University (Chair: Ken Kaye).
97	1995	Family Firm Institute	Family Firm Institute 'FFI's Body of Knowledge (BOK) task force created.
98	1995	Reginald Litz	Reginald Litz receives best paper award from the Entrepreneurship division of the Academy of Management for his article entitled: <i>The family business: Toward definitional clarity</i> (first family business article to be honoured at the Academy of Management meetings).
99	1995	Australian Center for Family Business	National family business forum hosted by Australian Center for Family Business in Sydney. First Family Business forum in Australia.
100	1996	Sharma, Chrisman and Chua	<i>"A Review and Annotated Bibliography of Family Business Studies"</i> by 'Sharma, Chrisman, and Chua' published by Kluwer Academic Publishers (first major annotated bibliography of family business studies).
101	1996	Texas Tech University	First Family Business concentration in management offered at the Texas Tech University.
102	1996	Melissa Shanker and Joseph Astrachan	Melissa Shanker and Joseph Astrachan publish the first comprehensive estimate of the size of the family business sector in the U.S. economy (Family Business Review, 9(2)).
103	1996	Cornell University Conference	Cornell University Conference on the Entrepreneurial Family Building Bridges, New York (Proceedings entitled: <i>"The Entrepreneurial Family"</i> , published in 1998. Family Business Resources Ltd. Editor: Ramona K. Z. Heck).
104	1997	National Family Business Survey	First National Family Business survey (first large study using household sample). 25 researchers from 17 institutions involved in this study. Findings reported in Family Business Review special issue 7(3).
105	1997	Gersick, Davis, Hampton and Lansberg	Gersick, Davis, Hampton, & Lansberg's book entitled: <i>"Generation to Generation"</i> published by Harvard Business School Press.
106	1997	Bond University, Australia	Family business courses introduced at Graduate and Undergraduate levels in Bond University, Australia. First FB courses in Australia.
107	1998	Pramodita Sharma	P. Sharma's dissertation receives the National Federation of Independent Businesses 'NFIB' Best Dissertation award (First Family Business dissertation recognized by the Entrepreneurship Division of the Academy of Management).
108	1999	University of Jyväskylä., Finland	First Family Business professorship established in Northern Europe at the University of Jyväskylä, Finland.
109	1999	GEEF, Europe	Founding of GEEF, the European Group of Owner Managed and Family Enterprises dedicated to family business lobbying at European level.
110	1999	Stetson University	Stetson University Conference on the Role of University based family business centres, DeLand, Florida (Proceedings edited by Greg McCann and Nancy Upton). Second conference held in 2001.
111	1999	IFBPA and USASBE	International Family Business Program Association (IFBPA) merged with Family Business Division of the United States Association for Small Business and Entrepreneurship (USASBE).
112	1999	Tim Habbershon and Mary Williams	Tim Habbershon & Mary Williams publish the first paper using the resource based view to explain the behaviour of family businesses (FBR, 12(1)).
113	2000	University of Jyväskylä., Finland	Doctoral program for family business studies established at the University of Jyväskylä, Finland
114	2001	International Family Enterprise Research Academy (IFERA)	International Family Enterprise Research Academy (IFERA) founded (Founding President: Albert Jan Thomassen). First IFERA conference hosted by INSEAD Fontainebleau (co-organizers: Christine Blondel and Nicholas Rowell; 35 attendees).
115	2001	Conference organised by Chrisman J., Chua, J., and Steier L.	First Theories of Family Enterprise (ToFE) conference co-hosted in Edmonton by the Universities of Alberta and Calgary. (Conference co-organizers: Jim Chrisman, Jess Chua, & Lloyd Steier).
116	2001	Gomez-Mejia, Nuñez-Nickel and Gutierrez	Gomez-Mejia, Nuñez-Nickel and Gutierrez's article entitled: The role of family ties in agency contracts published in the <i>Academy of Management Journal</i> .
117	2001	Schulze, Lubatkin, Dino and Buchholtz's	Schulze, Lubatkin, Dino and Buchholtz's article entitled: Agency relationships in family firms: Theory and Evidence published in <i>Organization Science</i> . First article to incorporate altruism and agency theory in a study of family business.
118	2003	Journal of Business Venturing	<i>Journal of Business Venturing</i> publishes two special issues on family business studies (Co-Editors for 18(4) issue - Jim Chrisman, Jess Chua, & Lloyd Steier; and for 18(5) issue Ed Rogoff and Ramona Heck)
119	2003	Entrepreneurship Theory and Practice (ET&P)	<i>Entrepreneurship Theory & Practice</i> publishes the first of a continuing series of special issues on family business linked to the ToFE Conference (ETP special issue editors: Jim Chrisman, Jess Chua, & Lloyd Steier).
120	2003	Anderson and Reeb	Anderson & Reeb's article entitled: <i>"Founding-family ownership and firm performance: Evidence from S&P500"</i> published in <i>Journal of Finance</i> , 58, 1301-1328
121	2003	Spain's special family business seminar	European Ministers of Economic Affairs and Finance gather in Madrid for special family business seminar (hosted by Mariano Puig and Fernando Casado, IEF, Spain).

122	2003	Andrea Colli	Andrea Colli's <i>"The History of Family Business, 1850-2000"</i> published by the Cambridge University Press.
123	2003	Cappuyns, K; Astrachan, J. And Klein S.B.	Cappuyns, K; Astrachan, J. And Klein S.B... 2003. "Family businesses dominate", in conjunction with IFERA A research attempting to collate the prevalence and economic importance of family businesses across 45 countries.
124	2004	Petrina Faustine	Petrina Faustine establishes family business centre in Indonesia (first family business centre in Asia).
125	2004	Stetson University	First major in family business at the undergraduate level launched at Stetson University. 8 courses, 5 required, 3 elective.
126	2004	Joseph Astrachan, Panikkos Poutziouris & Khaled Soufani	First <i>"Family Business Casebook Annual"</i> published (Eds. Joseph Astrachan, Panikkos Poutziouris & Khaled Soufani. Published by Kennesaw State University).
127	2005	University of Jyväskylä, Finland	International Masters Programme for Family Business established at the University of Jyväskylä, Finland (lectured in English and Finnish) and at the EHSAL European University College, Brussels, Belgium.
128	2005	FITS	FITS-project established, a strategic alliance between Finnish (Jyväskylä), Italian (Bocconi), and Swiss (Lugano) universitiesto offer Doctoral and Post-Doctoral degrees in family business.
129	2005	Family Enterprise Research Conference	First Family Enterprise Research Conference (FERC) hosted by the Austin Family Business Program, Portland (co-organizers: Mark Green and Pramodita Sharma; 55 attendees).
130	2005	Miller and Le-Breton Miller's	Miller and Le-Breton Miller's book entitled: <i>"Managing for the long run"</i> published by Harvard Business School Press.
131	2005	Randall Morck	Randall Morck edits <i>"A history of corporate governance around the world: Family Business Groups to Professional Managers"</i> .
132	2005	Family Business Review	<i>Family Business Review</i> is listed in Social Science Citation Index (SSCI) and Current Contents / Social & Behavioural Sciences (CCBS) (Editor: Joseph Astrachan)
133	2006	University of Alberta	First cross disciplinary undergraduate major in family business studies launched by University of Alberta's School of Business.
134	2006	Kennesaw's State University	Kennesaw's State University's Cox Family Enterprise Center launches the Best Family Business Paper award at the Entrepreneurship Division of the Academy of Management. (First award recipients: Reddi Kotha and Gerard George).
135	2006	Panikkos Potziouris; Kosmas Smyrnios; Sabine Klein with 'IFERA'	<i>"Handbook of Research on Family Business"</i> edited by Panikkos Potziouris; Kosmas Smyrnios; Sabine Klein in association with The International Family Enterprise Research Academy 'IFERA' #
136	2007	Journal of Business Research	Special issue of <i>Journal of Business Research</i> on Family Business Studies linked to FERC 06 conference (Co-editors: Jim Chrisman, Pramodita Sharma, Simon Taggar).
137	2008	#Chrisman, Chua, Kellerermans, Matherne III; and Debicki	An important publication by Chrisman, Chua, Kellerermans, Matherne III; and Debicki reviewing the Management Journals applicable for publishing Family Business Research. Title: <i>"Management Journals as Venues for Publication of Family Business Research"</i> in Entrepreneurship Theory and Practice, 2008.

Information adapted from summaries done by Sharma, Hoy, Astrachan, and Koiranen (2007); *Journal of Business research*, Vol.60. Iss. 10, Pg 1015 – 1017; '#' - Self-complied Summaries for this thesis

Appendix 3: List of Journals for Family Business Research

S/N	JOURNAL	DOMICILED COUNTRY	DATE OF COMMENCEMENT
1	Journal of Applied Psychology	US	1917
2	Harvard Business Review	US	1922
3	Management Science	US	1954
4	Academy of Management Journal	US	1958
5	Journal of Small Business Management	US	1963
6	Journal of Business Research	US	1973
7	Organisational Dynamics	US	1973
8	Journal of Financial Economics	US	1974
9	Academy of Management Review	US	1976
10	Entrepreneurship Theory and Practice	US	1976
11	Strategic Management Journal	US	1980
12	International Small Business Journal	UK	1982
13	Journal of Business Venturing	US	1986
14	Family Business Review	US	1988
15	Entrepreneurship and Regional Development	UK	1989
16	Organisation Science	US	1990
17	Journal of Family Business Strategy	US	2010

**Table 3: Some information on the mostly used journals were adapted from a study carried out by Chrisman, Chua, Kellermanns, Matherne, and Debicki, (2008), investigating the frequently used management journals (in terms of appropriateness and quality) for the publication of family business research.*

Appendix 4: Sources of Research Measuring Scales

CONSTRUCTS	ORIGINAL SCALE	AMENDMENTS MADE	SOURCE(S)
<p>Family Culture</p>	<p>1.In the first three questions, respondents were given instructions to circle (ranging from 1-“Not at all” to 5-“To a large extent”).</p> <p>2.In the last ten questions, respondents were generally ranked on a likert scale circle (ranging from 1-“strongly disagree” to 5-“strongly agree”).</p> <p>3. Questions were developed addressing respondent’s family and the business as: ‘Your family’; ‘Your family members’; ‘Your business’; ‘Our family members’; ‘the family business’; ‘We’; ‘I’ and ‘My’.</p> <p>Family culture measuring scale was adopted from Astrachan et al., (2002).</p>	<p>1.In the first three questions, respondents are given instructions to circle (ranging from 1-“strongly disagree” to 7-“strongly agree”)</p> <p>2.In the last ten questions, respondents were ranked on a likert scale circle (ranging from 1-“strongly disagree” to 7-“strongly agree”).</p> <p>3. Amendments were made to the way that respondents were addressed as follows:</p> <p>‘Your business’ was changed to ‘this business’</p> <p>‘Our family members’ was changed to ‘your family members’</p> <p>‘We’ was changed to ‘you and your family members’</p> <p>‘I’ was changed to ‘you’ and</p> <p>‘My’ was changed to ‘your’.</p>	<p>Astrachan, J.H., Klein, S.B., and Smyrniotis, K.X., 2002- The F-PEC Scale of Family Influence’ A proposal for Solving the <i>Family Business</i> Definition Problem. <i>Family Business Review</i>, 15(1), 45-58</p>
<p>Network Resources</p> <ol style="list-style-type: none"> 1. Network Size 2. Network Diversity 3. Network Density 	<p>1.Network size: questions on network size were developed based on <i>how many actors (different people) an entrepreneur or business owner/manager is talking to and discussing with about business matters while performing business activities</i> (Renzulli et al., 2000 – cited by Minai et al.,2011; Ostgaard and Birley, 1996)</p> <p>2. Network diversity: questions on network diversity were developed based on <i>the heterogeneity of network contacts</i> (Minai et al., 2011,Ostgaard and Birley, 1996)</p> <p>3. Network density: questions on network density were developed based on <i>the number of persons or actors that have highly connectedness and known each other in ego network</i> (Hansen, 1995 – cited by Minai et al., 2011; Ostgaard and Birley, 1996).</p> <p>4.All questions on the three dimensions of network resources (size, diversity and density) were tailored</p>	<p>Changes made include:</p> <p>1.Network size: (Ostgaard & Birley, 1996)- -from number of memberships in trade organisation to Does this business belong to any trade organisation?</p> <p>-from number of memberships in social organisation to do you or the business belong to any social organisation?</p> <p>-two new questions were developed along the pattern of previous questions as follows: <i>‘do you or the business belong to any social networking site’ and “do you or the business belong to any business network group’</i> (Social and Business Network categorisation adapted from Manai et al., 2011)</p> <p>-from number of membership in professional organisation to do you</p>	<p>1.Ostgaard and Birley, 1996 – New Venture Growth and Personal Networks. <i>Journal of Business Research</i> (1996), 36, 37-50</p> <p>2a.Minai, M.S., Ibrahim, Y., and Kheng, L.K., (2011): Entrepreneurial Network in Malaysia: Are there any differences across Ethnic Groups? <i>Accessed from ‘wbiconpro.com.....22nd November, 2011</i>.</p> <p>2b.Minai, M.S., Ibrahim, Y., & Kheng, L.K. (2012). “Entrepreneurial Network in Malaysia: Are there Any Differences Across Ethnic Groups?” <i>Journal of Business Policy Research</i>, 7(1): 178-192</p>

	<p>along variables used in the study carried out by Ostgaard and Birley, 1996) – See Appendix1 Page 49</p> <p>5.Determination and categorisation of network diversity was done based on Minai et al., (2011) study..page 9 and ‘hypothesis 5a’ of Ostgaard and Birley (1996) study....page 49</p> <p>6.Network density – this refers to the number of persons or actors that have highly connectedness and known to each other in ego network (Hansen, 1995..cited by Minai et al., (2011)</p>	<p>belong to any professional organisation’</p> <ul style="list-style-type: none"> -my firm to ‘this firm’ -the categorisation of network size was done based on the work by Minai et al., (2011). Changes and additions include: <ul style="list-style-type: none"> -from family to ‘close family members’ -from relatives to ‘extended family members’ -non-family employee and competitors were included to the list - Institutional network in the categorisation by Minai et al., (2011) was not included in my final list of network size because all previously listed network groups are considered to fall under this broad group. <p>2.Network diversity:</p> <ul style="list-style-type: none"> -Question on percentage of personal contact network ‘PCN’ who do not know each other was rephrased as <i>‘what percentage of your PCN does not know each other’</i> -Question to determine the composite size of secondary networks was captured in the <i>‘question 6c’</i> <p>3. Network density:</p> <ul style="list-style-type: none"> -Question to determine network density in <i>‘hypothesis 4 of Ostgaard and Birley (1996) study....page 49’</i> was altered as follows: <i>‘what proportion of your contact knows other people within this business?’</i> <p>4.Others: several other questions were asked to capture ‘hypotheses 2, 3 and 6’ in Ostgaard and Birley (1996) study....page 49</p>	
<p>Small Business Orientation ‘SBO’</p> <ol style="list-style-type: none"> 1. Purpose 2. Emotional Attachment 	<ol style="list-style-type: none"> 1.‘Measuring scale 1’ was adopted from Runyan et al., (2008). 2.‘Measuring scale 2’ was adopted from Mustakallo (2002) 2.All phrases in the measuring variables that had ‘my business’ or ‘my firm’ were changed to ‘this 	<ol style="list-style-type: none"> 1.‘My business’ or ‘my firm’ were changed to ‘this business’ 2.In Item 1 of Runyan et al., (2008) scale ‘I established this business because it better fit’ was changed to ‘this business was established because it fits your personal 	<ol style="list-style-type: none"> 1.Runyan, R., Droge, C., and Swinney, J.,(2008): Entrepreneurial Orientation versus Small Business Orientation: What Are Their Relationships to Firm Performance? <i>Journal of Small Business Management</i>, 46(4), 567-588 2.Mustakallo, Mikko (2002- Doctoral thesis)-

	<p>business'</p> <ol style="list-style-type: none"> 1 The Likert scale was extended from a 5-point scale to a 7-point scale 2 The 2nd scale, rating business goals on percentile bases was adopted from Mustakallo (2002- Doctoral thesis). No change was made. 	<p>life better'</p> <ol style="list-style-type: none"> 3. 'My' was changed to 'your' 4. In Mustakallo (2002), the question was changed from 'Please rank the following goals according to their importance to your company by allocating 100 points; so that the amount of points given to a goal reflects its importance to 'Please rank the following goals according to their importance to this business by allocating points (overall total = 100 points); so that the amount of points given to a goal reflects its importance. The higher the points given to each goal, the more important the goal is- this last bit was included to provide more clarity' 	<p>Contractual & Relational Governance in Family Firms: effects on Strategic Decision-making Quality and Firm Performance</p>
<p>Business Environment (Environmental Dynamism and Hostility Measuring Scale)</p>	<p>Measuring variables adapted from Casillas et al., (2011)</p>	<ol style="list-style-type: none"> 1.'Our Company' was changed to this business 2.the sector was changed to this product market or industry 3.'Our competitor' was changed to this business' competitors in this product market or industry 4.'Our consumers' was changed to the consumers of the business' products and/or services 5.'The environment' was changed to the product market or industry in which this business operate 6.'The company' and 'the firm' were changed to this business 	<p>Casillas, J.C., Moreno, A.M., and Barbero, J.L.- Entrepreneurial Orientation of Family Firms: Family and Environmental Dimensions. <i>Journal of Family Business Strategy</i>2(2011) 90-100</p>
<p>Business Decisions: (Entrepreneurial Orientation 'EO')</p> <ol style="list-style-type: none"> 1. Autonomy 2. Innovativeness 3. Proactiveness 4. Risk Taking 5. Competitive Aggressiveness 	<ol style="list-style-type: none"> 1.All five 'EO' scales of measurement were adapted from Lumpkin et al., 2009 (page 57 -58). <p>Note:</p> <ol style="list-style-type: none"> a.Original scales for 'innovativeness, proactiveness, risk taking and competitive aggressiveness' were from Colvin and Slevin (1989); Lumpkin, (1998); and Lumpkin and Dess (2001). These were reworded by Lumpkin, Cogliser & Schneider (2009). b.Autonomy scale was developed by Lumpkin et al., (2009). 	<ol style="list-style-type: none"> 1.'My firm' was changed to 'this business' across all items. 	<p>Lumpkin, G.T., Cogliser, C.C, and Schneider, D.R. (2009) - Understanding and Measuring Autonomy: An Entrepreneurial Orientation Perspective. <i>Entrepreneurship Theory and Practice</i>, 33(1), 47-49</p> <p>Original scales were from:</p> <ol style="list-style-type: none"> 1.Covin, J.G. and Slevin, D.P., (1989): Strategic Management of Small Firms in hostile and Benign Environment. <i>Strategic Management Journal</i>, 10, 75-87 2.Lumpkin, G.T., (1998): Do new entrant firms have an

			<p>entrepreneurial orientation? <i>Paper presented at the Academy of Management Review, 21, 135-172</i></p> <p>3.Lumpkin, G.T., and Dess, G.G. (2001). Linking two dimensions of entrepreneurial orientation to firm performance; The moderating role of environment and industry life cycle. <i>Journal of Business Venturing, 16, 429-451</i></p>
<p>Firm Performance</p> <ol style="list-style-type: none"> 1. Profitability 2. Employee Growth 3. Sales Revenue 4. Market Share 	<p>1.The method of comparing the business' performance with itself and then with known competitors was adopted from –Chirico and Sirmon, (2011); Urban (2008); Wang (2008); Naldi et al., (2007); Kellermanns and Eddleston (2006); and Wiklund, (1999).</p> <p>2. The following measuring scales- profitability, employee growth, sales revenue and market share, were adapted from the six articles mentioned in '1' above.</p>	<p>1.Five-point likert scale was used in (Urban, 2008; Naldi et al., 2007) while seven-point likert scale is used in this thesis</p> <p>2.Seven-point likert scale ranging from '1-much worse' to '7-much better' (Wang, 2008) changed to '1- strongly disagree' to '7-strongly agree'</p> <p>3.The period of performance assessment adopted in this thesis is for the past three years (similar to Chirico and Sirmon, 2011; Naldi et al., 2007; and Kellermanns and Eddleston, 2006) but contrary to Wang (2008) who used a 5 year period of assessment.</p> <p>4. All eight items in the performance scale were self-worded along the five articles used to review the performance measuring scale.</p>	<p>1.Chirico, F., and Sirmon, D.G. (2011): Entrepreneurial Orientation and Performance in family Firms: The Joint Effect of Generational Involvement and Participative Strategy. <i>Paper submitted to the Family Business Special Issue in 'Strategic Entrepreneurship Journal'- accessed online through the ISBE-UCP website'</i></p> <p>2.Urban, B., (2008): The Prevalence of Entrepreneurial Orientation in a Developing Country: Juxtapositions with Firm Success and South Africa's Innovation Index. <i>Journal of Developmental Entrepreneurship, 13(4), 425-443.</i></p> <p>3.Wang, C.L. (2008). Entrepreneurial Orientation, Learning Orientation, and Performance. <i>Entrepreneurship Theory and Practice, 32(4), 635-657</i></p> <p>4. Naldi, L., Nordqvist, M., Sjoberg, K., and Wiklund, J., (2007): Entrepreneurial Orientation, Risk Taking and Performance in Family Firms. <i>Family Business Review, 20(1), 33-47</i></p> <p>5. Kellermanns F.W., and Eddleston, K.A. (2006). Corporate Entrepreneurship in Family Firms: A Family Perspective. <i>Entrepreneurship Theory and Practice, 30(6), 809-830</i></p> <p>6.Wiklund J., and Shepherd, D., (2003): Knowledge-Based Resources, Entrepreneurial Orientation, and the performance of small and medium business. <i>Strategic Management Journal 24:1307-1314</i></p> <p>7. Wiklund, J., (1999). The Sustainability of the Entrepreneurial Orientation-Performance Relationship. <i>Entrepreneurship Theory and Practice, 24(1), 34-49.</i></p>

APPENDIX 5: Questionnaire



Family Businesses in Lagos, Nigeria

A Survey by Royal Holloway, University of London

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Date of Interview: _____/_____/_____

A. About The Business

1. The name of this business is (optional): _____

2. Do you consider this business to be a family business? (Tick one box only).

- Yes No

3a. When was this business founded? In Year _____

3b. Was this business created as a new start-up or acquired?

- New start-up Acquired

3c. Who founded this business? (Tick one or more relevant boxes)

- Myself My relative(s)
 My spouse My grandparent(s)
 My sibling(s) My great grandparent(s)
 My parent(s) My great great grandparent(s)
 Others (Please specify _____)

4. Which generation of family dominantly manages this business currently? Please tick the relevant box below:

- 1st Generation 2nd Generation 3rd Generation
 4th Generation Others (Please specify _____)

5. Which generation of family is dominantly responsible for maintaining control in this business currently? Please tick the relevant box below:

- 1st Generation 2nd Generation 3rd Generation
 4th Generation Others (Please specify _____)

6. The sources of finance of this business include:

Sources of Finance	Start-up Stage	Current (as at Dec., 2011)
<input type="checkbox"/> Personal savings	_____%	_____%
<input type="checkbox"/> Family	_____%	_____%
<input type="checkbox"/> Friends	_____%	_____%
<input type="checkbox"/> Financial Institutions	_____%	_____%
<input type="checkbox"/> Others (please specify _____)	_____%	_____%

7. The ownership type of this business is: (Tick one box only)

- Sole proprietorship
 Partnership
 Limited Liability Company
 Others (Please specify _____)

8. The main business activities include: (Tick one or more relevant boxes in the categories below):

Trading	Manufacturing	Services
<input type="checkbox"/> Agriculture	<input type="checkbox"/> Agriculture	<input type="checkbox"/> Accounting
<input type="checkbox"/> Automobile	<input type="checkbox"/> Automobile	<input type="checkbox"/> Bricklaying
<input type="checkbox"/> Basic Metal, Iron & Steel	<input type="checkbox"/> Basic Metal, Iron & Steel	<input type="checkbox"/> Catering Services
<input type="checkbox"/> Bookshop & Stationery Store	<input type="checkbox"/> Books & Stationery Manufacturing	<input type="checkbox"/> Contracting
<input type="checkbox"/> Building Materials	<input type="checkbox"/> Building Materials	<input type="checkbox"/> Consulting
<input type="checkbox"/> Computer & Accessories	<input type="checkbox"/> Computer Accessories &	<input type="checkbox"/> Education (Schools)
<input type="checkbox"/> Chemicals	<input type="checkbox"/> Chemicals	<input type="checkbox"/> Engineering
<input type="checkbox"/> Chemists (drugs)	<input type="checkbox"/> Drugs (Pharmaceuticals)	<input type="checkbox"/> Entertainment
<input type="checkbox"/> Domestic Gas	<input type="checkbox"/> Domestic Gas	<input type="checkbox"/> Event Management
<input type="checkbox"/> Electronics & Electrical	<input type="checkbox"/> Electronics & Electrical	<input type="checkbox"/> Fashion Designing
<input type="checkbox"/> Foam & Mattresses	<input type="checkbox"/> Foam & Mattresses	<input type="checkbox"/> Financial Institution
<input type="checkbox"/> Food & Beverages	<input type="checkbox"/> Food & Beverages	<input type="checkbox"/> Hairdressing/Barbing
<input type="checkbox"/> Footwear	<input type="checkbox"/> Footwear	<input type="checkbox"/> Haulage
<input type="checkbox"/> Metal , Steel, Iron, & other Metal Products	<input type="checkbox"/> Metal , Steel, Iron, & other Metal Products	<input type="checkbox"/> Hospitality
<input type="checkbox"/> Paint	<input type="checkbox"/> Paint	<input type="checkbox"/> Insurance
<input type="checkbox"/> Paper & Paper Products	<input type="checkbox"/> Paper & Paper Products	<input type="checkbox"/> Law
<input type="checkbox"/> Personal Care Products (Soap, Cosmetics, Cream)	<input type="checkbox"/> Personal Care Products (Soap, Cosmetics, Cream)	<input type="checkbox"/> Medical Services
<input type="checkbox"/> Phones & Accessories	<input type="checkbox"/> Phones & Accessories	<input type="checkbox"/> Newspaper, Publishing & Printing
<input type="checkbox"/> Plastic & Packaging	<input type="checkbox"/> Plastic & Packaging	<input type="checkbox"/> Oil & Gas
<input type="checkbox"/> Textile & Clothing	<input type="checkbox"/> Textile & Clothing	<input type="checkbox"/> Photography
<input type="checkbox"/> Tiles & Marble	<input type="checkbox"/> Tiles & Marble	<input type="checkbox"/> Plumbing
<input type="checkbox"/> Tyres (all types)	<input type="checkbox"/> Tyres (all types)	<input type="checkbox"/> Professional Association
<input type="checkbox"/> Vehicular Spare Parts	<input type="checkbox"/> Vehicular Spare Parts	<input type="checkbox"/> Property Development & Estate Management
<input type="checkbox"/> Wires, Cables & Other Electrical Products	<input type="checkbox"/> Wires, Cables & Other Electrical Products	<input type="checkbox"/> Recruitment (HR)
<input type="checkbox"/> Wood & Furniture	<input type="checkbox"/> Wood & Furniture	<input type="checkbox"/> Telecommunications
<input type="checkbox"/> Supermarket	<input type="checkbox"/> Industrial Powder	<input type="checkbox"/> Training
<input type="checkbox"/> Others (please specify)	<input type="checkbox"/> Others (please specify)	<input type="checkbox"/> Others (please specify)

B. About Yourself

1. Your age is: _____

Alternatively please tick one box below:

- <25 25-35 <35-45
 <45-55 <55-65 >65

2. Which ethnic group do you belong to? (Tick one box only)

- Yoruba Hausa Igbo
 Others (please specify _____)

3. What is your **highest** educational qualification? (Tick one box only)

- Did not go to school
 First School Leaving Certificate
 Junior Secondary School Certificate
 Senior Secondary School Certificate
 Ordinary Diploma or Technical Training
 University Degree or HND
 Masters Degree or MBA
 PHD

4. Do you have any professional qualification?

- Yes (please specify) _____ No

5a. Before starting/acquiring/joining this business, did you get any work experience that is relevant to what you do within this business currently?

- Yes (please specify the number of years) _____ No

5b. Please list up to three most important skills and experience you brought into this business from your previous work experience:

- (1) _____
(2) _____
(3) _____

6. Your position in this business is: (Tick one or more relevant boxes)

- Owner Manager

7. How long have you been working in this business? _____ year(s) _____ month(s)

C. Family Involvement

1. The percentage of current ownership of this business is (Please tick one or more relevant boxes and indicate percentage):

- Myself _____%
- My spouse _____%
- My sibling(s) _____%
- My parent(s) _____%
- My relative(s) _____%
- My grandparent(s) _____%
- My great grandparent(s) _____%
- Others (Please specify _____) _____%

2a. Is this business owned by a parent company?

- Yes. Please go to 2b and 2c. No. Please go to 3.

2b. The parent company is owned by:

- Close family members _____%
- Extended family members _____%
- Non-family members _____%

2c. Please list up to three advantages or disadvantages of having a parent company:

Advantages	Disadvantages
1.	1.
2.	2.
3.	3.

3. How many people in each of the following categories are responsible for managing this business?

- (a) Close family members _____
- (b) Extended family members _____
- (c) Non-family members _____

4. How many people in each of the following categories are responsible for maintaining control in this business?

- (a) Close family members _____
- (b) Extended family members _____
- (c) Non-family members _____

5. How many people in each of the following categories are responsible for making business decisions in this business?

- (a) Close family members _____
- (b) Extended family members _____
- (c) Non-family members _____

6. In the future, who is the business most likely to be passed on to? (Tick one box only).

- Close family members
- Extended family members
- Non-family members

7. How many full-time equivalent employees do you have? Please breakdown the number of employees in the table provided below:

	Full Time	Part Time	Casual
Close family members	_____	_____	_____
Extended family members	_____	_____	_____
Non-family members	_____	_____	_____

8. What is the *minimum* educational qualification for employees in this business?

- No Formal School Education
- First School Leaving Certificate
- Junior Secondary School Certificate
- Senior Secondary School Certificate
- Ordinary Diploma or Technical Training
- University Degree or HND
- Masters Degree or MBA
- PHD

9. Please indicate the extent to which you 'agree' or 'disagree' with each of the following statements by **circling only one number** from '1 to 7'. 1=strongly disagree; up to 7=strongly agree.

Family Culture	Strongly Disagree						Strongly Agree
a Your family has influence on this business	1	2	3	4	5	6	7
b Your family members share similar values	1	2	3	4	5	6	7
c Your family and business share similar values	1	2	3	4	5	6	7
d Your family members are willing to put in a great deal of	1	2	3	4	5	6	7

effort beyond that is normally expected in order to help the family business to be successful	
e You and your family support the family business in discussions with friends, employees and other family members	1 2 3 4 5 6 7
f You and your family feel loyalty towards the business	1 2 3 4 5 6 7
g You and your family find that your values are compatible with those of the business	1 2 3 4 5 6 7
h You and your family members are proud to tell others that you are part of the family business	1 2 3 4 5 6 7
i There is so much to be gained by participating with the family business on a long-term basis	1 2 3 4 5 6 7
j You and your family members agree with the family business' goals, plans and policies	1 2 3 4 5 6 7
k You and your family members really care about the fate of the family business	1 2 3 4 5 6 7
l Deciding to be involved with the family business has a positive influence on your life	1 2 3 4 5 6 7
m You understand and support your family's decisions regarding the future of the family business	1 2 3 4 5 6 7

D. Use of Networking

1. Does this business belong to any trade organisations (such as industry associations)?

Yes (please specify how many)_____ No

2. Do you or the business belong to any social organisations (such as clubs)?

Yes (please specify how many)_____ No

3. Do you or the business belong to any business networking group (such as Lagos Business Club)?

Yes (please specify how many)_____ No

4. Are you or this business registered with and/or use any social networking site (such as LinkedIn)?

Yes (please specify how many)_____ No

5. Do you belong to any professional organisations (such as ICAN, NBA, NMA)?

Yes (please specify how many)_____ No

6a. With approximately how many people have you discussed various aspects of this business during the last six months?_____people.

6b. How many of these people have a commercial relationship with this business?_____people.

6c. How many of these people (referred to above) fall into the different categories below? Please also rate the degree of importance by **circling only one number from '1 to 7'**, to indicate the value of their advice to this business. 1=Not at all Important; up to 7=Very Important.

Groups	Number of People	Not at all Important					Very Important	
		1	2	3	4	5	6	7
Close family members		1	2	3	4	5	6	7
Extended family members		1	2	3	4	5	6	7
Non-family employees		1	2	3	4	5	6	7
Friends		1	2	3	4	5	6	7
Suppliers		1	2	3	4	5	6	7
Customers/Clients		1	2	3	4	5	6	7
Competitors		1	2	3	4	5	6	7
Government Agencies		1	2	3	4	5	6	7
Financial Institutions (Bank)		1	2	3	4	5	6	7
Trade organisations (Industry orgs)		1	2	3	4	5	6	7
Social organisations (clubs)		1	2	3	4	5	6	7
Social network (LinkedIn, etc)		1	2	3	4	5	6	7
Business network		1	2	3	4	5	6	7
Professionals (lawyers, etc)		1	2	3	4	5	6	7
Others (please specify)		1	2	3	4	5	6	7

7. Please rate the extent of contribution of each individual group to the following aspects of this business. The alphabets in the table below represent various aspects of this business as follows: **A=Contacts with new customers; B=Market Information; C=Access to Internet Resources; D=Access to distribution channels; E=Advertising by word of mouth; F=Product & Service Development; G=Assistance with obtaining business loans or investors.** You are required to complete all the boxes for each group by **indicating only one number** from '1 to 7' for options 'A to G'. 1=Not at all Important; up to 7=Very Important

Groups	A	B	C	D	E	F	G
Close family members							
Extended family members							
Non-family employees							
Friends							
Suppliers							
Customers/Clients							
Competitors							
Government Agencies							
Financial Institutions (Bank)							
Trade organisations (Industry orgs)							
Social organisations (clubs)							
Social network (LinkedIn, etc)							

Business network							
Professionals (lawyers, etc)							
Others (please specify)							

8. How do you allocate your time on a weekly basis?

- a. making contact with new and/or old customers _____ hours.
- b. making contact with new and/or old suppliers _____ hours.
- c. making contact with new and/or old investors _____ hours.
- d. creating and/or maintaining other contacts _____ hours.
- e. communicating with people in your personal network contact _____ hours.

9. What percentage of the business' new contacts did you personally take the initiative to establish? _____ %

11. What proportion of your personal contacts knows other people within this business? _____ %

12. What percentage of your personal contact network do not know each other? _____ %

13. How many years (averagely) have you known people in your personal network contact? _____ years

E. Business Goals and Purpose (Small Business Orientation)

1. Please indicate the extent to which you 'agree' or 'disagree' with each of the following statements by **circling only one number** from '1 to 7' on the purpose for setting up this business. 1=strongly disagree; up to 7=strongly agree

	Strongly Disagree						Strongly Agree
a This business was established because it fits your personal life better than working for someone else	1	2	3	4	5	6	7
b You have no plans to significantly expand this business in size or sales revenue	1	2	3	4	5	6	7
c Your goals for this business are more personally oriented than financially oriented	1	2	3	4	5	6	7
d This business is your primary source of income	1	2	3	4	5	6	7
e Your goals for this business includes expanding to multiple (2 or more) locations	1	2	3	4	5	6	7
f You consider this business to be an extension of your personality	1	2	3	4	5	6	7
g Your goals for this business are interwoven (interconnected) with your family's needs	1	2	3	4	5	6	7
h You love this business	1	2	3	4	5	6	7
i You are emotionally attached to this business	1	2	3	4	5	6	7

2. Please indicate the extent to which each of the following goals is important to this business by **circling only one number** from 1=strongly disagree, to 7=strongly agree.

	Not important at all						Very important
a Increasing revenue rapidly	1	2	3	4	5	6	7
b Increasing Profitability	1	2	3	4	5	6	7

c Maintaining my personal lifestyle and family needs	1	2	3	4	5	6	7
d Retaining the business in the hands of my family	1	2	3	4	5	6	7
e To grow the business on a long-term basis	1	2	3	4	5	6	7
f Others (please specify)_____	1	2	3	4	5	6	7

F. Business Environment (Dynamism and Hostility)

In order to understand the external environment (industry) in which this business operates, please rate on a scale of '1 to 7' the extent to which you agree or disagree with **each statement** by **circling only one number per statement from a scale of '1 to 7'**. 1=strongly disagree; up to 7=strongly agree

	Strongly Disagree						Strongly Agree
a This business has to adapt marketing activities to compete in this product market or industry	1	2	3	4	5	6	7
b Product and service obsolescence is very rapid in this product market or industry	1	2	3	4	5	6	7
c It is difficult to predict the actions of this business' competitors in this product market or industry	1	2	3	4	5	6	7
d It is difficult to predict the demands and tastes of the consumers of the business' products and/or services	1	2	3	4	5	6	7
e Production/service technology changes rapidly and significantly in this product market or industry	1	2	3	4	5	6	7
f The product market or industry in which this business operate is very insecure and threatens the business' survival and healthy functioning	1	2	3	4	5	6	7
g The product market or industry is very stressful, demanding, hostile and difficult	1	2	3	4	5	6	7
h The product market or industry cannot easily be controlled or manipulated by the business to gain competitive advantage	1	2	3	4	5	6	7

G. Business Decisions (Entrepreneurial Orientation)

In this section, you are required to think carefully on the important decisions that you make concerning this business and how these affects the actions and reactions of the business. Please rate the extent to which you agree or disagree with each statement by **circling only one number per statement from a scale of '1 to 7'**. 1=strongly disagree; up to 7=strongly agree

	Strongly Disagree						Strongly Agree
a This business supports the efforts of individuals and/or teams that work autonomously as compared with requiring individuals and/or teams to rely on senior	1	2	3	4	5	6	7

managers to guide their work							
b The managers of this business believe that best results occur when individuals and/or teams decide for themselves what business opportunities to pursue (rather than when the CEO and top managers provide the primary impetus for pursuing business opportunities)	1	2	3	4	5	6	7
c In this business, individuals and/or teams pursuing business opportunities make decisions on their own without constantly referring to their supervisors (instead of having to obtain approval from their supervisors before making decisions)	1	2	3	4	5	6	7
d In this business, the CEO and top management team (rather than employee initiatives and input) play a major role in identifying and selecting the entrepreneurial opportunities this firm pursues	1	2	3	4	5	6	7
e In general, the top managers of this business favour a strong emphasis on the marketing of tried and true products and/or services as compared with a strong emphasis on research and development 'R&D', technological leadership and innovation	1	2	3	4	5	6	7
f In the last five years, this business has marketed no new lines of products or services as compared with many product lines and/or services	1	2	3	4	5	6	7
g In this business, changes in product or service lines have been mostly of a minor nature as compared with being quite dramatic	1	2	3	4	5	6	7
h The top managers of this business favours experimentation and original approaches to problem solving rather than imitating methods that other businesses have used in solving their problems	1	2	3	4	5	6	7
i This business prefers to design its own unique new processes and methods of production rather than adapting methods and techniques that others have developed and proven	1	2	3	4	5	6	7
j In dealing with competition, this business responds to action which competitors initiate as compared with initiating action which the competition then respond to	1	2	3	4	5	6	7
k In dealing with competition, this business is very seldom the first business to introduce new products and/or services, administrative techniques and operating technologies	1	2	3	4	5	6	7
l In dealing with competitors, this business typically seeks to avoid competitive clashes, preferring a "live-and-let-live" posture (rather than a competitive "undo-the-competitors" posture)	1	2	3	4	5	6	7
m The top managers of this business have a strong tendency to "follow the leader" in introducing new products or ideas (rather than being ahead of other competitors in introducing novel ideas or practices)	1	2	3	4	5	6	7

n	The top managers of this business have a strong proclivity for low risk projects (with normal and certain rates of return) rather than high risk projects (with chances of very high return)	1	2	3	4	5	6	7
o	The top managers of this business believe that, owing to the nature of the environment, it is best to explore the environment gradually via careful, incremental behaviour (rather than bold, wide-ranging acts necessary to achieve the firm's objectives)	1	2	3	4	5	6	7
p	When confronted with decision-making situations involving uncertainty, this business typically adopts a cautious, "wait-and-see" posture in order to minimize the probability of making costly decisions (as compared with a bold aggressive posture to maximise the probability of exploiting potential opportunities)	1	2	3	4	5	6	7
q	The top managers of this business prefer to study problems thoroughly before deploying resources to solve it instead of being quick to spend money on potential solutions if problems are holding the business back.	1	2	3	4	5	6	7
r	This business is very aggressive and intensely competitive rather than making no special effort to take business from the competition	1	2	3	4	5	6	7

H. Business Performance (Firm Performance)

This last section contains statements that might possibly describe the performance of this business. Please rate from 1 to 7 the extent to which you agree or disagree with each of the following statements; **Circle only one number for each statement**; 1=strongly disagree; up to 7=strongly agree

	Statement	Strongly Disagree						Strongly Agree
a	Compared with the past three years, this business is more profitable	1	2	3	4	5	6	7
b	Compared with the past three years, this business has more employees	1	2	3	4	5	6	7
c	Compared with the past three years, this business generates more sales revenue	1	2	3	4	5	6	7
d	Compared with the past three years, this business has more market share	1	2	3	4	5	6	7
e	Compared with known competitors, this business is more profitable	1	2	3	4	5	6	7
f	Compared with known competitors, this business has more employees	1	2	3	4	5	6	7
g	Compared with known competitors, this business generates more sales revenue	1	2	3	4	5	6	7
h	Compared with known competitors, this business has more market share	1	2	3	4	5	6	7

I. Other Information

1. Can you tell me the advantages of owning and/or managing a family business in comparison with a non-family business? (Please give specific reasons)
 - a. _____
 - b. _____
 - c. _____
 - d. _____
2. Can you tell me some organisation structural differences between family businesses and non-family business?
 - a. _____
 - b. _____
 - c. _____
 - d. _____
3. Can you tell me five factors that you consider important for fostering growth in family business in comparison with non-family business?
 - a. _____
 - b. _____
 - c. _____
 - d. _____
 - e. _____
4. Can you tell me what typical problems that family businesses tend to have, compared with non-family businesses?
 - a. _____
 - b. _____
 - c. _____
 - d. _____

We sincerely appreciate your valuable time and effort in completing this questionnaire. For further information, please contact: bamidele.wale-oshinowo.2010@live.rhul.ac.uk

Appendix 6: Letter to Family Business Owners



Bamidele Wale-Oshinowo
School of Management
Royal Holloway,
University of London
Egham, Surrey, TW20 0EX

December 28^h, 2011

«Title» «First_Name» «Surname»
«Company Name»
«Address»

Dear «Title» «Surname»

My name is Bamidele Wale-Oshinowo. I am a doctoral researcher at Royal Holloway, University of London working under the supervision of Professor Catherine Wang. As part of my doctoral research in family business, I am conducting a survey on family businesses in Nigeria.

In particular, I am investigating the influence of family businesses in growing businesses in Nigeria. The findings from this study will be useful in providing information on areas that family businesses can build on to improve the performances of their firms.

This research complies with the ethical codes of Royal Holloway, University of London. I can assure you that all the information you provide in this survey will be treated with strict confidence. The names of individuals and organisations will not be disclosed under any circumstances, and only the researcher will have access to the information. In addition, the results of the survey will be reported in statistical format, hence it will be impossible to identify any individual answer.

If you require additional information about this research work, please do not hesitate to contact me or my research supervisor– Professor Catherine Wang through her email – ‘catherine.wang@rhul.ac.uk’.

Following the above background information, I hereby solicit your kind co-operation and crucial participation in this study, as each response to the enclosed questionnaire will make the study more meaningful and successful. Furthermore, your contribution to this research project also entitles you to win a minimum of NGN200 GSM credit voucher (vouchers from all networks are available – all participants is a winner).

Please find enclosed a copy of the questionnaire for the attention of the business owner and/or manager. It will be greatly appreciated if you can spare approximately 15minutes of your time to enable us complete the questionnaire together.

I am happy to answer any questions or comment about this study. I can be contacted on 08027563270 or on email: bamidele.wale-oshinowo.2010@live.rhul.ac.uk. Thank you in advance for helping out with this very important study.

Yours Sincerely

Bamidele Wale-Oshinowo
Doctoral Researcher
School of Management
Royal Holloway, University of London
Egham, Surrey, TW20 0EX

Appendix 7: Letter to SMEDAN



Bamidele Wale-Oshinowo
School of Management
Royal Holloway,
University of London
Egham, Surrey, TW20 0EX

The Centre Manager,
Small & Medium Enterprises Development Agency of Nigeria (SMEDAN),
Matori Business Support Centre, Lagos, Nigeria.

Dear Yinka Fisher,

RE: DOCTORAL RESEARCH ON FAMILY BUSINESSES IN LAGOS, NIGERIA

My name is Bamidele Wale-Oshinowo. I am a doctoral researcher at Royal Holloway, University of London working under the supervision of Professor Catherine Wang. As part of my doctoral research in family business, I am conducting a survey on small family businesses in Lagos, Nigeria.

Further to the above, I kindly request that you provide me with information of businesses registered with you in various capacities. This information is required to develop a database of companies that would be completing questionnaires for a research survey. In addition, SMEDAN will be quoted in my thesis as the official source of data for this doctoral study.

I would want to assure you and your organisation of complete confidentiality of any data released in this regard as they would be used for research purposes only.

I am happy to answer any questions or comment about this study. I can be contacted on 08027563270 or on email: bamidele.wale-oshinowo.2010@live.rhul.ac.uk. Thank you in advance for helping out with this very important study.

Yours Sincerely

Bamidele Wale-Oshinowo

Doctoral Researcher
School of Management
Royal Holloway, University of London
Egham, Surrey, TW20 0EX

Appendix 8: Standardised Scores (Z Score) For All Variables

Variable	Minimum	Maximum
Family Culture	-3.6	1.3
Firm Performance	-2.4	2.3
EO-Autonomy	-2.3	2.9
EO-Innovativeness	-2.8	2.5
EO-Proactiveness	-2.6	2.4
EO-Risk Taking	-1.8	2.9
Small Business Orientation	-3.2	1.5
Dynamism	-2.1	2.6

Appendix 9: Common Method Bias among All Constructs

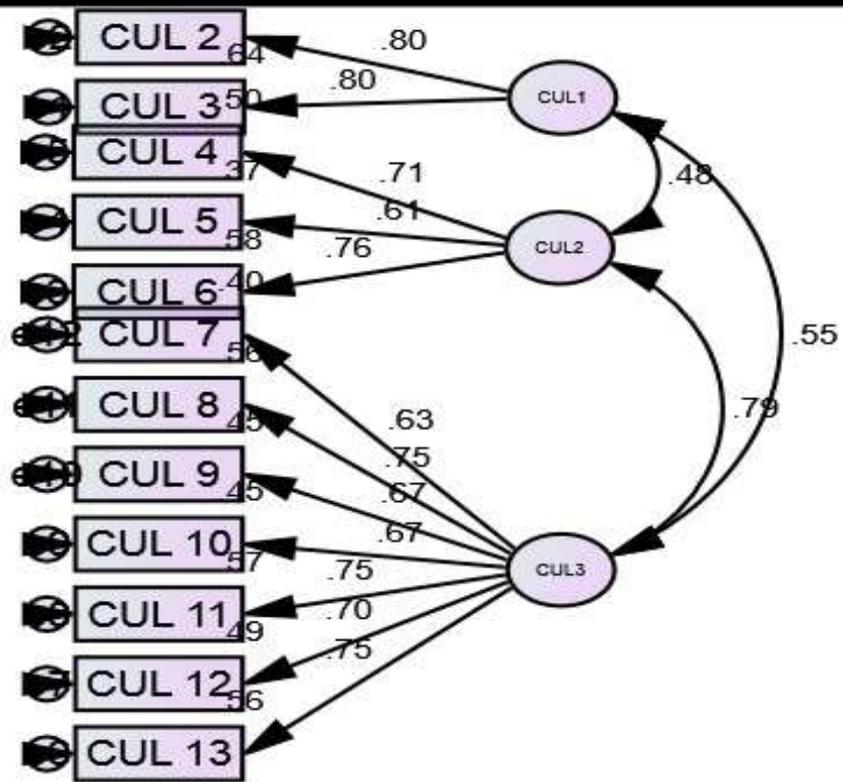
Comp	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.224	14.685	14.685	8.224	14.685	14.685	5.216	9.315	9.315
2	5.047	9.013	23.698	5.047	9.013	23.698	3.086	5.510	14.825
3	3.341	5.966	29.665	3.341	5.966	29.665	3.086	5.510	20.335
4	2.861	5.109	34.773	2.861	5.109	34.773	2.983	5.328	25.663
5	2.453	4.381	39.155	2.453	4.381	39.155	2.810	5.018	30.681
6	2.241	4.001	43.156	2.241	4.001	43.156	2.497	4.460	35.140
7	1.928	3.443	46.598	1.928	3.443	46.598	2.361	4.217	39.357
8	1.701	3.038	49.636	1.701	3.038	49.636	2.008	3.585	42.942
9	1.532	2.736	52.372	1.532	2.736	52.372	1.893	3.381	46.323
10	1.405	2.509	54.882	1.405	2.509	54.882	1.880	3.358	49.681
11	1.307	2.335	57.216	1.307	2.335	57.216	1.856	3.314	52.995
12	1.234	2.204	59.421	1.234	2.204	59.421	1.786	3.190	56.185
13	1.192	2.128	61.549	1.192	2.128	61.549	1.701	3.038	59.222
14	1.115	1.990	63.539	1.115	1.990	63.539	1.611	2.877	62.099
15	1.081	1.931	65.470	1.081	1.931	65.470	1.592	2.843	64.942
16	1.024	1.828	67.298	1.024	1.828	67.298	1.319	2.356	67.298
17	.930	1.660	68.959						
18	.906	1.618	70.577						
19	.884	1.578	72.155						
20	.833	1.487	73.642						
21	.815	1.455	75.098						
22	.795	1.419	76.517						
23	.749	1.338	77.855						
24	.727	1.299	79.154						
25	.687	1.226	80.380						
26	.678	1.210	81.590						
27	.654	1.168	82.758						
28	.644	1.150	83.909						
29	.600	1.072	84.981						
30	.546	.975	85.956						
31	.521	.930	86.885						
32	.485	.866	87.751						
33	.456	.814	88.565						
34	.442	.790	*89.355						

35	.425	.758	90.113					
36	.408	.729	90.842					
37	.395	.705	91.548					
38	.383	.684	92.232					
39	.368	.657	92.889					
40	.365	.652	93.541					
41	.324	.578	94.119					
42	.315	.562	94.681					
43	.295	.527	95.209					
44	.285	.509	95.717					
45	.274	.490	96.207					
46	.256	.456	96.663					
47	.241	.431	97.094					
48	.231	.413	97.506					
49	.229	.408	97.915					
50	.212	.379	98.294					
51	.203	.363	98.657					
52	.189	.337	98.994					
53	.164	.293	99.287					
54	.152	.271	99.558					
55	.134	.240	99.797					
56	.114	.203	100.000					

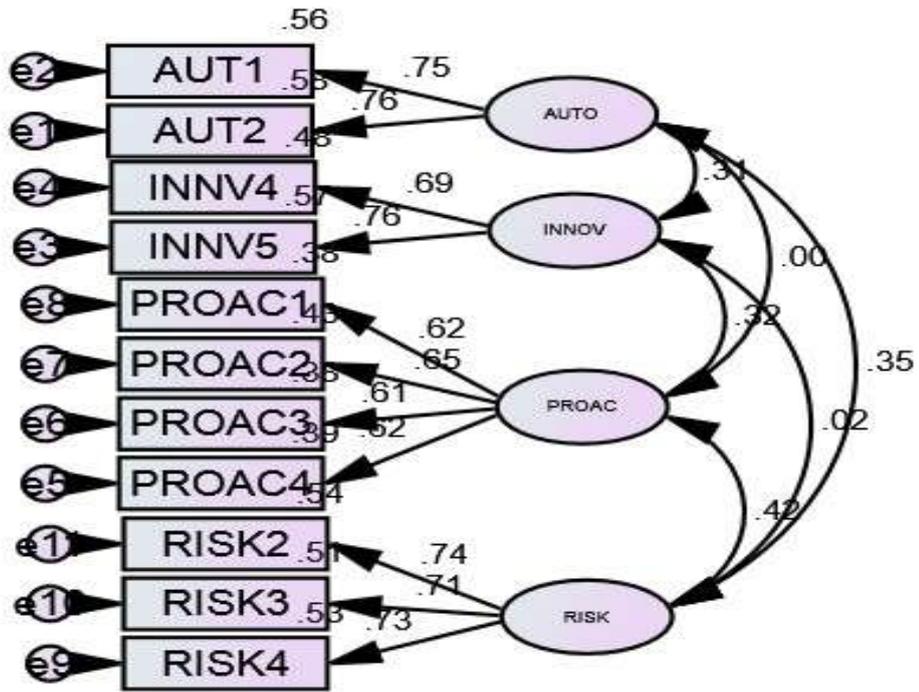
Extraction Method: Principal Component Analysis.

Appendix 9: Factor Analysis checking for Common Method Bias

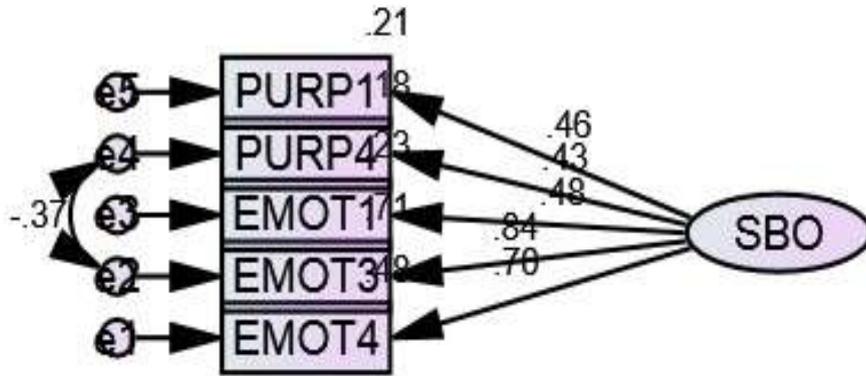
Appendix10: CFA-Culture



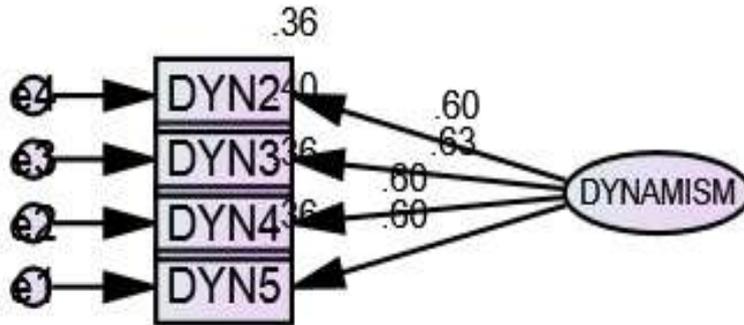
Appendix 11: CFA - EO



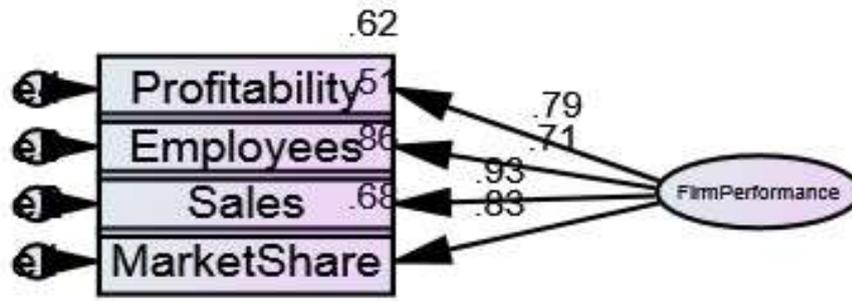
Appendix 12: SBO - CFA



Appendix 13: CFA - Dynamism



Appendix 14: CFA FP-Performance



Appendix 15a: Moderated Regression Analysis - Autonomy

Conditional effect of X on Y at values of the moderator (M)

AUTONOMY	Effect	SE	t	p	LLCI	ULCI
-2.135	.242	.216	1.123	.263	-.183	.668
-1.852	.273	.194	1.408	.161	-.109	.656
-1.568	.304	.173	1.757	.080	-.037	.645
-1.421	.320	.163	1.970	.050	.000	.640
-1.285	.335	.153	2.187	.030	.033	.637
-1.002	.366	.135	2.712	.007	.100	.631
-.718	.397	.119	3.334	.001	.162	.631
-.435	.427	.106	4.014	.000	.218	.637
-.152	.458	.099	4.638	.000	.264	.653
.132	.489	.097	5.039	.000	.298	.680
.415	.520	.102	5.121	.000	.320	.720
.698	.551	.111	4.940	.000	.331	.770
.982	.582	.126	4.629	.000	.334	.829
1.265	.612	.143	4.291	.000	.331	.893
1.548	.643	.162	3.975	.000	.324	.962
1.832	.674	.182	3.697	.000	.315	1.033
2.115	.705	.204	3.459	.001	.303	1.106
2.398	.736	.226	3.257	.001	.291	1.181
2.682	.766	.249	3.084	.002	.277	1.256
2.965	.797	.272	2.936	.004	.262	1.332
3.248	.828	.295	2.808	.005	.247	1.409
3.532	.859	.318	2.697	.007	.232	1.486

Appendix 15b: Autonomy - Data for Visualizing Conditional Effect of X on Y

X (Family Culture)	Moderator (Autonomy)	Y (Firm Performance)
-.613	-1.400	4.168
.000	-1.400	4.365
.613	-1.400	4.563
-.613	.000	4.312
.000	.000	4.603
.613	.000	4.894
-.613	1.400	4.457
.000	1.400	4.841
.613	1.400	5.225

Appendix 16a: Moderated Regression Analysis - Innovativeness

Conditional effect of X on Y at values of the moderator (M)

INNOVATIVENESS	Effect	se	t	p	LLCI	ULCI
-3.283	.552	.275	2.009	.046	.011	1.094
-2.983	.539	.249	2.161	.032	.048	1.030
-2.683	.526	.224	2.343	.020	.084	.967
-2.383	.512	.200	2.562	.011	.118	.906
-2.083	.499	.176	2.829	.005	.151	.846
-1.783	.486	.154	3.152	.002	.182	.789
-1.483	.472	.134	3.533	.000	.209	.736
-1.183	.459	.116	3.950	.000	.230	.688
-.883	.446	.103	4.323	.000	.243	.649
-.583	.432	.096	4.496	.000	.243	.622
-.283	.419	.097	4.330	.000	.228	.610
.017	.406	.105	3.872	.000	.199	.612
.317	.392	.119	3.306	.001	.159	.626
.617	.379	.137	2.773	.006	.110	.649
.917	.366	.157	2.323	.021	.056	.676
1.207	.353	.179	1.970	.050	.000	.706
1.217	.353	.180	1.959	.051	-.002	.707
1.517	.339	.204	1.665	.097	-.062	.741
1.817	.326	.228	1.428	.155	-.124	.776
2.117	.313	.253	1.234	.218	-.186	.812
2.417	.299	.279	1.073	.284	-.250	.849
2.717	.286	.305	.939	.349	-.314	.886

Appendix 16b: Innovativeness - Data for Visualizing Conditional Effect of X on Y

X (Family Culture)	Moderator (Innovativeness)	Y (Firm Performance)
-.613	-1.251	4.108
.000	-1.251	4.391
.613	-1.251	4.674
-.613	.000	4.357
.000	.000	4.606
.613	.000	4.855
-.613	1.251	4.605
.000	1.251	4.820
.613	1.251	5.035

Appendix 17a: Moderated Regression Analysis – Proactiveness

Conditional effect of X on Y at values of the moderator (M)

PROACTIVENESS	Effect	se	t	p	LLCI	ULCI
-3.176	.498	.347	1.432	.153	-.187	1.182
-2.876	.492	.313	1.575	.117	-.124	1.109
-2.576	.487	.279	1.749	.082	-.062	1.037
-2.276	.482	.245	1.969	.050	.000	.965
-2.274	.482	.245	1.970	.050	.000	.965
-1.976	.477	.212	2.250	.025	.059	.896
-1.676	.472	.181	2.615	.009	.117	.828
-1.376	.467	.151	3.095	.002	.170	.765
-1.076	.462	.125	3.705	.000	.217	.708
-.776	.457	.105	4.374	.000	.251	.663
-.476	.452	.094	4.799	.000	.267	.638
-.176	.447	.097	4.608	.000	.256	.639
.124	.442	.112	3.947	.000	.222	.663
.424	.437	.135	3.235	.001	.171	.704
.724	.432	.163	2.651	.009	.111	.754
1.024	.427	.194	2.207	.028	.046	.809
1.226	.424	.215	1.970	.050	.000	.848
1.324	.422	.226	1.870	.063	-.023	.867
1.624	.417	.259	1.611	.108	-.093	.928
1.924	.412	.293	1.408	.160	-.165	.989
2.224	.407	.327	1.245	.214	-.237	1.052
2.524	.402	.362	1.112	.267	-.311	1.115
2.824	.397	.397	1.002	.318	-.384	1.179

Appendix 17b: Proactiveness - Data for Visualizing Conditional Effect of X on Y

X (Family Culture)	Moderator (Proactiveness)	Y (Firm Performance)
-.613	-1.197	4.211
.000	-1.197	4.496
.613	-1.197	4.780
-.613	.000	4.330
.000	.000	4.602
.613	.000	4.874
-.613	1.197	4.449
.000	1.197	4.709
.613	1.197	4.969

Appendix 18a: Moderated Regression Analysis - Risk-Taking

Conditional effect of X on Y at values of the moderator (M)

RISK_TAKING	Effect	se	t	p	LLCI	ULCI
-1.664	.240	.185	1.295	.196	-.125	.605
-1.364	.282	.167	1.684	.094	-.048	.612
-1.174	.309	.157	1.970	.050	.000	.617
-1.064	.324	.151	2.153	.032	.027	.621
-.764	.366	.135	2.718	.007	.101	.632
-.464	.408	.120	3.388	.001	.171	.645
-.164	.450	.108	4.153	.000	.237	.664
.136	.492	.099	4.954	.000	.296	.688
.436	.534	.094	5.674	.000	.349	.720
.736	.576	.093	6.164	.000	.392	.761
1.036	.618	.097	6.347	.000	.426	.810
1.336	.660	.105	6.263	.000	.453	.868
1.636	.702	.117	6.019	.000	.473	.932
1.936	.745	.130	5.710	.000	.488	1.001
2.236	.787	.146	5.394	.000	.499	1.074
2.536	.829	.162	5.100	.000	.509	1.149
2.836	.871	.180	4.836	.000	.516	1.225
3.136	.913	.198	4.604	.000	.522	1.303
3.436	.955	.217	4.401	.000	.527	1.382
3.736	.997	.236	4.223	.000	.532	1.462
4.036	1.039	.255	4.067	.000	.536	1.542
4.336	1.081	.275	3.930	.000	.539	1.623

Appendix 18b: Risk Taking - Data for Visualizing Conditional Effect of X on Y

X (Family Culture)	Moderator (Risk Taking)	Y (Firm Performance)
-.613	-1.293	4.220
.000	-1.293	4.398
.613	-1.293	4.577
-.613	.000	4.326
.000	.000	4.616
.613	.000	4.906
-.613	1.293	4.432
.000	1.293	4.833
.613	1.293	4.234

Appendix 19a: Moderated Regression Analysis - Small Business Orientation (SBO)

Conditional effect of X on Y at values of the moderator (M)

SBO	Effect	se	t	p	LLCI	ULCI
-3.459	.689	.283	2.431	.016	.130	1.247
-3.234	.670	.265	2.526	.012	.147	1.193
-3.009	.651	.247	2.633	.009	.164	1.139
-2.784	.633	.230	2.753	.006	.180	1.086
-2.559	.614	.213	2.887	.004	.195	1.033
-2.334	.595	.196	3.036	.003	.209	.982
-2.109	.577	.180	3.202	.002	.222	.932
-1.884	.558	.165	3.384	.001	.233	.883
-1.659	.540	.151	3.576	.000	.242	.837
-1.434	.521	.138	3.768	.000	.249	.793
-1.209	.502	.127	3.943	.000	.251	.753
-.984	.484	.119	4.068	.000	.249	.718
-.759	.465	.113	4.106	.000	.242	.688
-.534	.446	.111	4.025	.000	.228	.665
-.309	.428	.112	3.817	.000	.207	.649
-.084	.409	.117	3.508	.001	.179	.639
.141	.390	.124	3.144	.002	.146	.635
.366	.372	.134	2.769	.006	.107	.636
.591	.353	.146	2.413	.017	.065	.642
.816	.335	.160	2.091	.038	.019	.650
.909	.327	.166	1.970	.050	.000	.654
1.041	.316	.175	1.807	.072	-.029	.660

Appendix 19b: Small Business Orientation (SBO) - Data For Visualizing Conditional Effect Of X On Y

X (Family Culture)	Moderator (SBO)	Y (Firm Performance)
-.613	-.936	4.301
.000	-.936	4.595
.613	-.936	4.889
-.613	.000	4.375
.000	.000	4.621
.613	.000	4.868
-.613	.936	4.449
.000	.936	4.648
.613	.936	4.847

Appendix 20a: Moderated Regression Analysis - Dynamism

Conditional effect of X on Y at values of the moderator (M)

DYNAMISM	Effect	se	t	p	LLCI	ULCI
-2.257	.415	.218	1.901	.059	-.015	.845
-2.182	.417	.212	1.970	.050	.000	.835
-1.970	.425	.194	2.188	.030	.042	.807
-1.682	.434	.171	2.543	.012	.098	.770
-1.395	.444	.149	2.981	.003	.150	.737
-1.107	.453	.129	3.507	.001	.199	.708
-.820	.463	.113	4.094	.000	.240	.686
-.532	.472	.102	4.638	.000	.272	.673
-.245	.482	.097	4.946	.000	.290	.674
.043	.492	.101	4.881	.000	.293	.690
.330	.501	.111	4.516	.000	.283	.720
.618	.511	.127	4.037	.000	.262	.760
.905	.520	.146	3.572	.000	.233	.807
1.193	.530	.167	3.169	.002	.200	.859
1.480	.540	.190	2.834	.005	.165	.915
1.768	.549	.215	2.560	.011	.126	.972
2.055	.559	.239	2.333	.020	.087	1.031
2.343	.568	.265	2.145	.033	.046	1.090
2.630	.578	.291	1.988	.048	.005	1.151
2.665	.579	.294	1.970	.050	.000	1.158
2.918	.588	.317	1.854	.065	-.037	1.212
3.205	.597	.343	1.739	.083	-.079	1.273
3.493	.607	.370	1.640	.102	-.122	1.335

Appendix 20b: Dynamism - Data for Visualizing Conditional Effect of X on Y

X (Family Culture)	Moderator (DYNAMISM)	Y (Firm Performance)
-.613	-1.325	4.254
.000	-1.325	4.527
.613	-1.325	4.801
-.613	.000	4.302
.000	.000	4.602
.613	.000	4.902
-.613	1.325	4.349
.000	1.325	4.677
.613	1.325	5.004

Appendix 21: Normality Plot: Family Culture According To Ethnic Groups - 1

FIGURE 7a: Family Culture - O-Q Plot for the Yoruba Ethnic Group

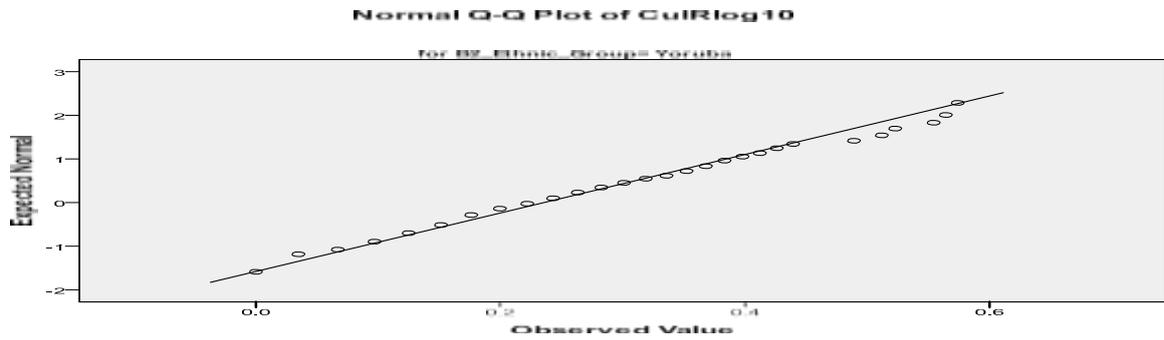
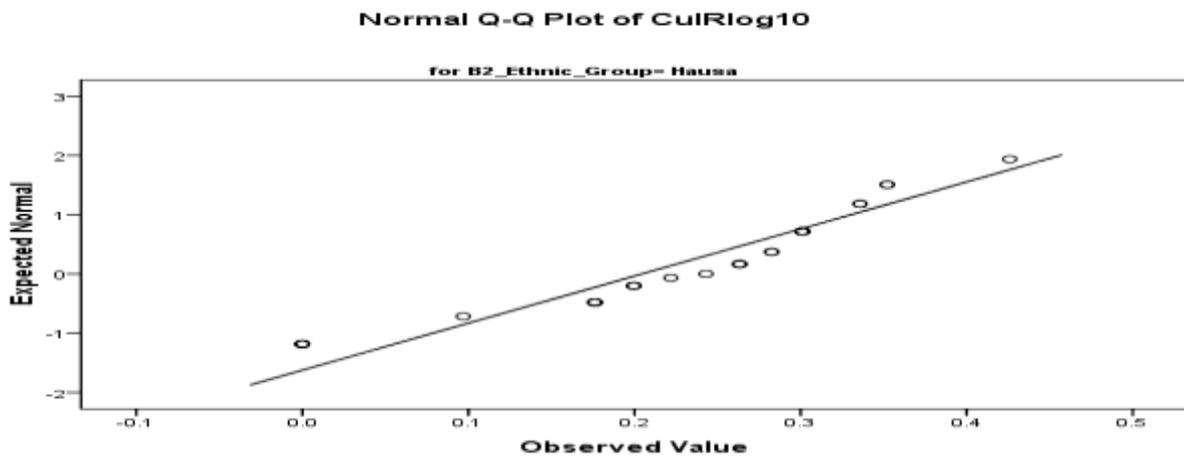


FIGURE 7b: Family Culture - O-Q Plot for the Hausa Ethnic Group



Appendix 22: Normality Plot: Family Culture According To Ethnic Groups -2

FIGURE 7c: Family Culture - O-O Plot for the Igbo Ethnic Group

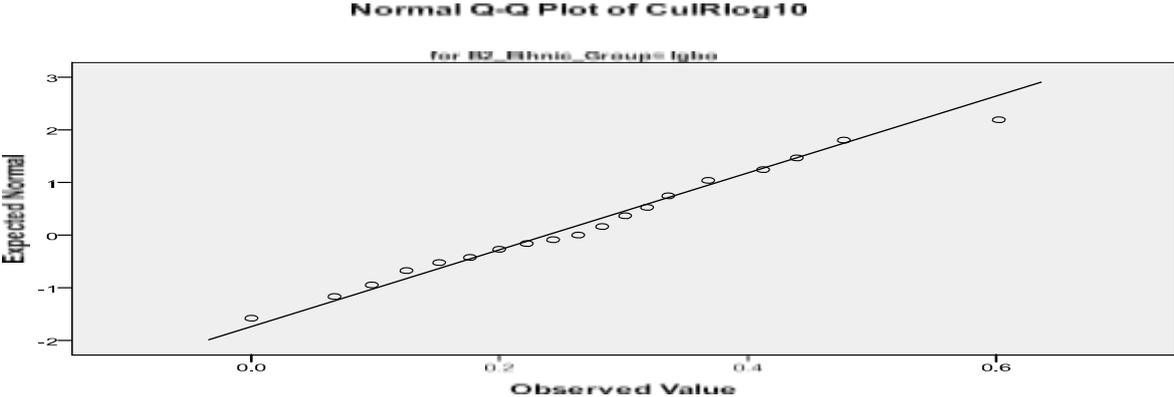
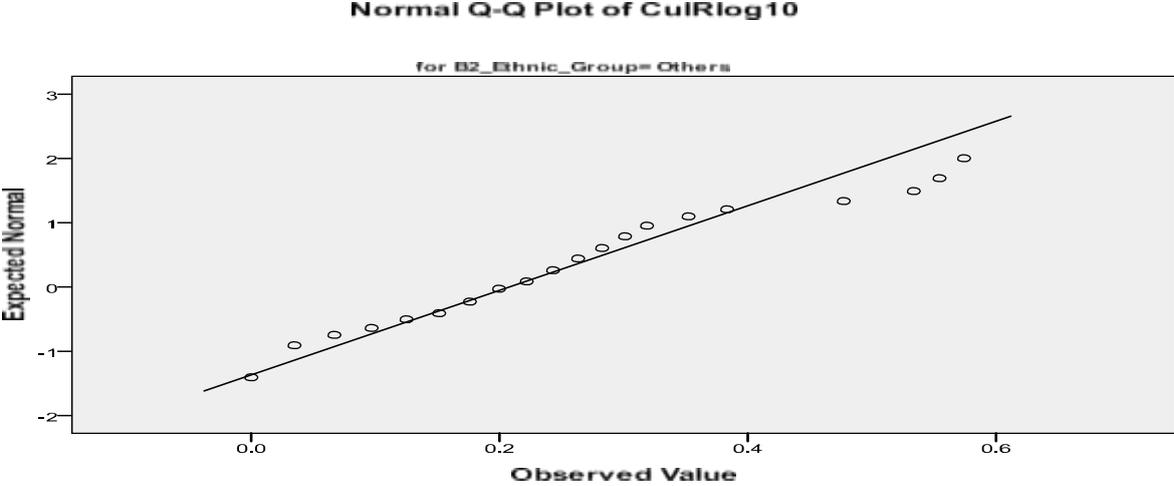


FIGURE 7d: Family Culture - O-O Plot for Others (Minority Ethnic Group)



Appendix 23: Normality Plot: Firm Performance According To Ethnic Group-1

FIGURE 8a: Firm Performance- Q-Q Plot for the Yoruba Ethnic Group

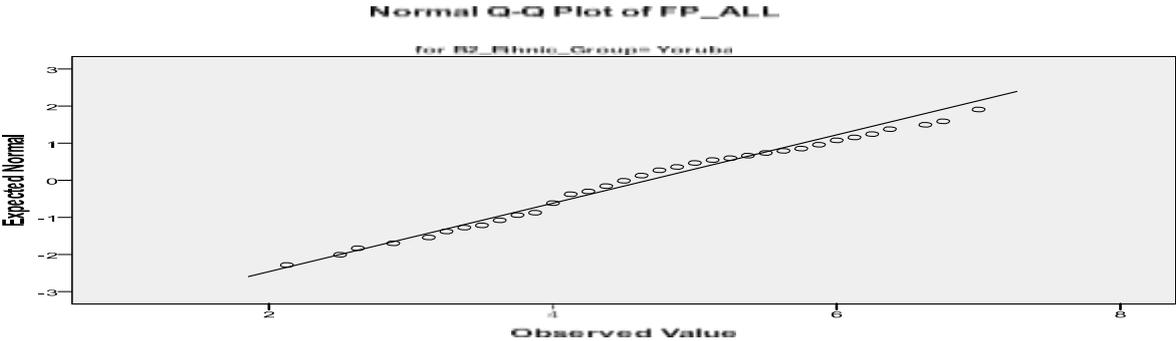
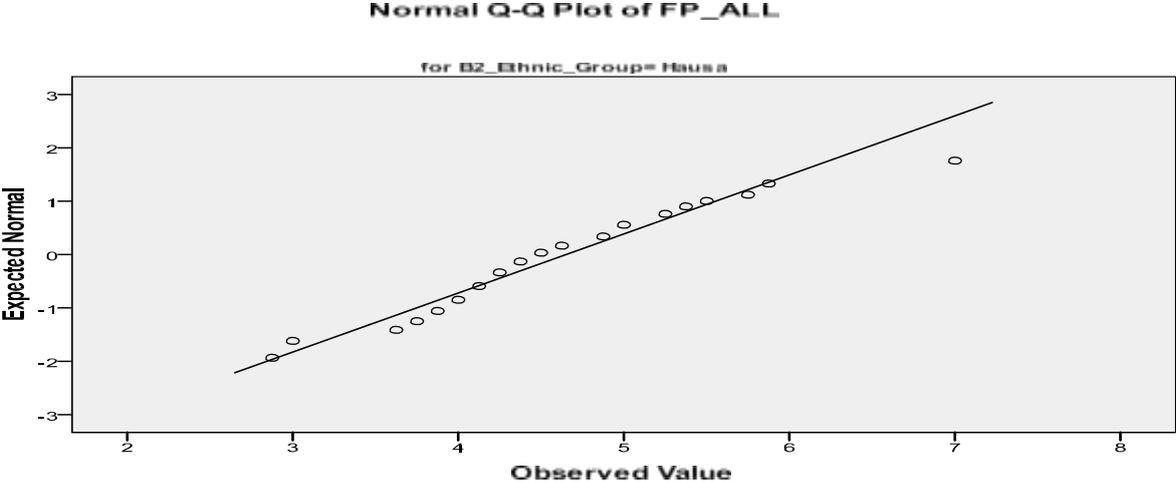


FIGURE 8b: Firm Performance- Q-Q Plot for the Hausa Ethnic Group



Appendix 24: Normality plot: firm performance according to ethnic group-2

FIGURE 8c: Firm Performance- O-O Plot for the Igbo Ethnic Group

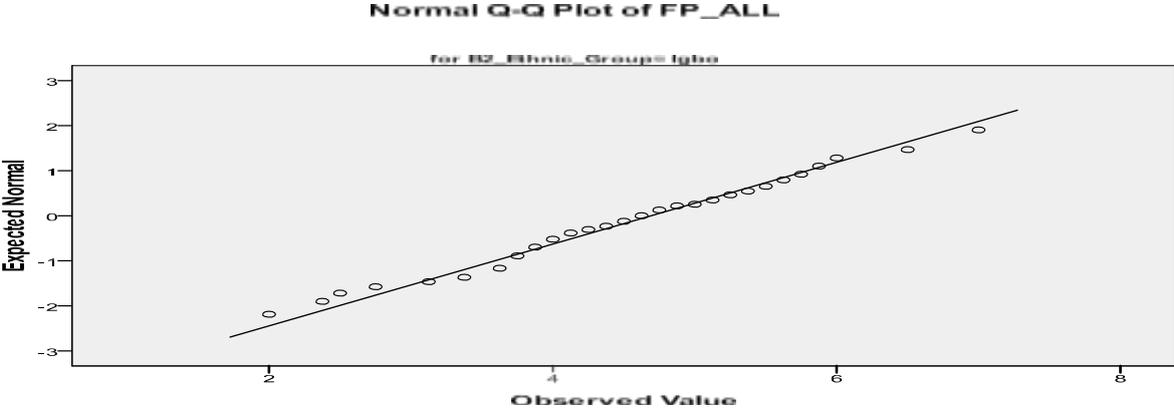
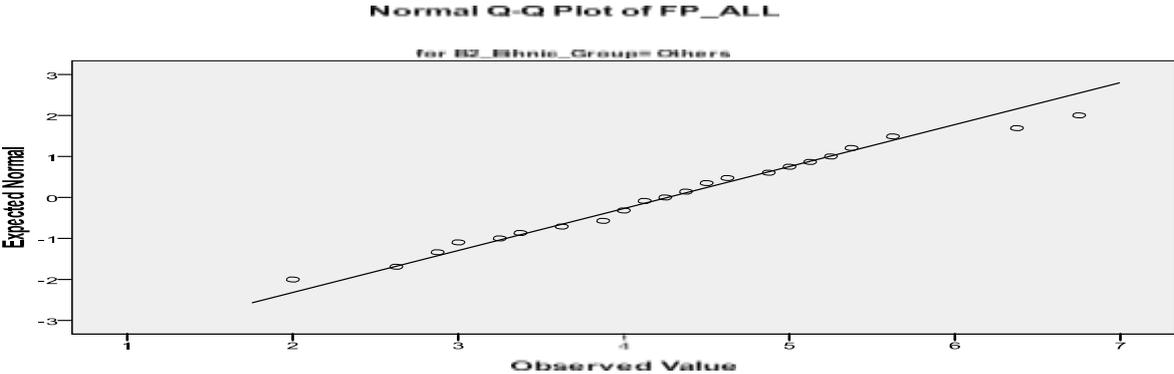


FIGURE 8d: Firm Performance - O-O Plot for Others (Minority Ethnic Group)



Appendix 25: Sources of Finance (Distribution)

	START-UP CAPITAL		CURRENT CAPITAL	
	FREQUENCY	%	FREQUENCY	%
Personal Savings	92	38.8%	90	38%
Family	34	14.3%	30	12.7%
Friends	1	0.4%	1	0.4%
Financial Institutions	0	0	2	0.8%
Others	0	0	1	0.4%
Personal Savings & Family	66	27.8%	59	24.9%
Personal Savings & Friends	8	3.4%	2	0.8%
Personal Savings & *FI	23	9.7%	26	11.0%
Personal Savings & Others	1	0.4%	7	3%
Family & *FI	6	2.5%	8	3.4%
Friends & *FI	1	0.4%	0	0
Personal Savings, Friends & *FI	1	0.4%	3	1.3%
Personal Savings, Family & Friends	1	0.4%	2	0.8%
Personal Savings, Family & *FI	3	1.3%	0	0
Personal Savings, *FI & Others	0	0	2	0.8%
Personal Savings, Family & Others	0	0	1	0.4%
Personal Savings, Friends & Others	0	0	1	0.4%
Family, *FI & Others	0	0	1	0.4%
Personal Savings, Family, Friends, *FI & Others	0	0	1	0.4%
TOTAL	237	100.0%	237	100.0%

*FI here represents Financial Institutions.

APPENDIX 26: SAMPLED FIRM'S FOUNDER

	BUSINESS FOUNDER	FREQUENCY	PERCENT
1	Respondent	100	42.2%
2	Respondent's Spouse	13	5.5%
3	Respondent's Siblings	4	1.7%
4	Respondent's Parents	44	18.6%
5	Respondent's Grandparent's	2	0.8%
6	Others – (Previous Owners)	3	1.3%
7	Respondent and Spouse	39	16.5%
8	Respondent and Siblings	20	8.4%
9	Respondent and Parents	1	0.4%
10	Respondent and Relatives	3	1.3%
11	Respondent and Others (Outside Investors)	2	0.8%
12	Relatives and Parents	1	0.4%
13	Respondent, Spouse and Siblings	2	0.8%
14	Respondent, Spouse and Parents	1	0.4%
15	Respondent, Spouse and Relatives	1	0.4%
16	Respondent, Spouse and Others (Outside Investors)	1	0.4%
	TOTAL	237	100

Appendix 27: Qualitative Data Collection Table

Name of Company	Contact Person/ Position	1st Observation	Details of Discussion 2nd Observation	Final Observation	Response to 'Research Open-ended Questions'						
					Previous Work Experience	Advantages of a Parent Company	Disadvantages of a Parent Company	Advantages of FB Ownership & Management over NFB	Organisational Structural Differences between FB & NFB	Factors Fostering Growth in FB vs. NFB	Typical Problems Associated with FBs
23-01-2012 FEMALE YORUBA	Owner	The business premises-shop is pleasant but very busy business. The shop is well stocked.	This lady is very passionate about her business. She seems to be well knowledgeable about selling male, female and children clothing. She is also very upfront. She however, made comments about the challenges faced with importing clothing. She also complained about the nation's economy and its negative effect on her business.	The business seems to be on track. She has a lot of support from her husband and children. Her daughter is very much involved with the business and she is hoping to pass it on to her eventually.	NONE	NA	NA	Makes more time available	No response	-family values & culture -discipline and dedication to the business	Conflict
23-01-2012 MALE YORUBA	Owner (part-owner)	This is a very small business. They are into contracting. They organise bridging finance for Nigerian Banks from foreign financial institutions.	There are four '4' brothers involved with this business. I spoke with one them (the eldest). One them is an ex-banker so he provides most of links with the Banks. They have also built solid relationships with foreign banks. They understand each other fairly well. The issue of succession have not been discussed yet.	The business seems to be progressive. The four brothers are very committed to the business and they have a strong drive to make it work.	4 years previous work experience: -Time management -Accountability -Product branding	NA	NA	-It creates self-reliance for family members -It promotes self-confidence in individual family members through the backing and support that they receive from the family -Promotes cordial relationship among family members	-Minimal corporate governance is required in FBs -In FBs duties are carried out with little or no pressure at all -Minimal overhead cost; overhead cost is also very easy to adjust.	-Trust -Unhindered commitment to the FB -The presence of a win-win situation (most times for individual family members) -Equal responsibilities	-Finance -Unskilled labour -Occasional lack of commitment to work.
23-01-2012 FEMALE	MD/CEO (Owner)	She runs a very thriving clothing business. I also observed that she is involved with property	Her immediate younger sister is very much involved in her business. Her children too, help out from time to time. She	She is very passionate about her business. She is also very enterprising in her approach to issues. She has trained her first daughter in	10 years-previous work experience. -Money management	NA	NA	-Independence -Ability to commit more time to the business.	In FBs, family values are more important	-Limit nepotism	-Nepotism

YORUBA		development by the side. She has about 4 shops on Lagos Island.	takes short-term bridging loans from her husband. She's learnt the textile trade from her mum (who is still very much alive). At the time of learning the trade, she did not know that she would end up being in that same business. She is well for her generation.	textile trading (although her daughter is well read). She is hoping to pass the business to her.	(careful spending) -Knowledge of textile trading -Taking control of a business -The marketing style of clothing business.						
23-01-2012 MALE YORUBA	MD/Chief Medical Director (Owner)	The owner appears to well trained and knowledgeable in his field of general practice. The clinic environment is neat, well arranged. They have a laboratory for clinical examinations; X-ray machine; and other mini facilities for emergencies and personal care.	He spoke highly of his wife who is a trained nurse and the matron of his clinic. He mentioned that his personal involvement with his patients as the edge he has over his competitors. His wife handles the personal care of his patients and also all administrative affairs.	The owners seem comfortable with each other. They devote so much time and energy into the practice in order to keep and maintain their patients. Although, they have very young children, they are however hoping that one of them will choose their career path.	12 years previous work experience: -Hospital management skills -Professional skills	NA	NA	-More seriousness in FBs -FBs are more profitable - Owners/ employees are more focus	No response	-More personal finance needed in FBs -More seriousness in FBs	-No privacy with your accounts
24-01-2012 MALE YORUBA	Principal Partner	This interview was conducted in his private lodge. He inherited the law practice from his late father.	He acted as if he didn't have a choice but to take over the law practice after his father died. According to him, he added additional services to the firm when he took over: property management and consulting.	The law practice is small but they have a large clientele base because his late father seemed to be well connected (socially) in Lagos.	6 years previous work experience: -IT skills -Managerial skills -Organisational and Research skills	NA	NA	-You are your own boss -Deeper passion and drive to excel -A good name opens doors -Continuity is assured	In FBs, -Commitment is not so high -No assurance of maintaining a good name -In bad times, employees and partners may not be too disposed to making sacrifices	-Deal professionally -Set guidelines for internal business processes -Do not take partners for granted -Review your business processes regularly -Train staff and reward performance.	-Personality conflict among partners -Profit percentage distribution -Effecting disciplinary measures
24-01-2012 MALE YORUBA	Chief Medical Practitioner	This is a small Medical Practice. The Respondent is a paediatric neurologist. He is well known in the medical field in Nigeria. He runs a private family practice. However	His father opened the clinic a while back. His father is a foremost doctor, while his mum is a retired matron. His mum over sees part of the clinic from time to time. His sister-in-law (his brother's wife) who is	His has children in high school and his hopes to leave the practice on for them. He has his own career but he is still able to run the practice privately in the evening after finishing from work.	3 years previous work experience before joining the practice: -Customer relationship -Proper billing system.	NA	NA	No response	No response	No response	No response

		from what I observed during our interaction, most of their patients are children of the middle class and above.	also a medical practitioner joins in the management of the clinic.								
.24-01-2012 FEMALE YORUBA	Owner	She runs a mid-range school. Her husband is involved in managing the school's finances and other administrative aspects of the business. The school offers both pre-school and elementary education.	She kept praising her husband while completing the questionnaire. She points out that most of her achievements in business have been because of her husband's encouragement and involvement with running the school.	He facilitated my appointment with his wife. He seems to support her all the way. The school also appears to be professionally managed. Complaints from the respondents were mostly based on the country's economic situation and its effects on parents and payments of schools fees. There is also a strong plan to keep the business within the family.	2 years previous work experience: -Communication -Collaborative team work -Management.	NA	NA	-Total commitment -Fulfilment	In FBs, -leadership is defined and retained within the family -succession plan is clear	In FBs, -clarity of purpose -funding agenda at a steady rate -profit sharing -discipline	-funding limitation -total commitment of staff -limitation of capacity
25-01-2012 MALE IGBO	MD/CEO– (Owner)	This is a big chemist. The owner is a qualified pharmacist. His brother and wife works for him. They are in two different locations. I visited the two locations in the process of trying to track the owner down for an interview. They also run a big supermarket alongside the chemist.	The wife encouraged her husband to complete the questionnaire. She oversees the administrative aspect of the business including stocking the supermarkets with goods regularly. The owner's brother manages one of the two big shops with him. The owner mentioned problems of fake drugs and unqualified/untrained chemists as major issues facing their industry. He reiterated the need for professionalism throughout the interview period.	The owner displayed commitment and strong passion for his business. He also has qualified pharmacists supporting him within the business.	3 years previous work experience: -Full knowledge and handling of pharmaceutical products -Procurement and sales of drugs -Basic accounting	NA	NA	No response	No response	No response	No response
25-01-2012 FEMALE	Manager (daughter of the owners)	The hotel is situated in a highbrow area of Lagos state. It is medium sized but well equipped. My	The respondent complained about the rigidity of her parents; their unwillingness to seek for outside	She is very much involved and passionate about her parent's business despite having her own career.	NO	NA	NA	-time management is easier -determines take home pay	-little room for professionalism -growth in FBs -less visible organogram in	-availability of funds -presence of technical know-how	-lack of growth -limited funds

YORUBA		respondent is a sitting judge but runs the hotel alongside with her younger sister who is a business woman. Their parents are retired. Their parents also have interest in agriculture (fish farming and palm oil production).	finance and also accept major innovation/changes to the operations of the hotel and its facilities. However, it was observed that there was a recent major work done on the outlook of the hotel. She accepted but said it took her and her sibling a long time to convince their parents to allow them carry out the facelift.	Although she complained generally about her parent's attitude to change but it was obvious that she is happy co-managing the company with her sister.				-makes one an employer of labour	FBs	-good welfare package	
25-01-2012 MALE YORUBA	(Part owner)	This business was passed on by the founder to his children. One of the oldest sons currently manages the business. The office space is old and other facilities are old.	He appeared to be someone who was unwillingly drafted into this business. He does it full time. Although he enjoys the benefit associated with the business, based on his comments and manner of response to the questions asked. He also complained of interference from his siblings who are only interested in profit sharing rather than getting fully involved in the management of the business.	The company is into freight forwarding and clearing. They fully leverage on the deceased founder's good will. They operate fully in the circle of family businesses meaning they offer their services to the children of their deceased father's old clients.	5 years previous work experience: -Managerial skills -Accounting skills -Customer service skills	NA	NA	-possess ample time to deal with other issues -your decisions are most likely to be granted - better returns	No response	-Non-interference in decision making -Non-interference in the day-to-day running of the business	-Lack of trust -the other family members feel oppressed particularly when the business is thriving -the expectations of family members are too high.
26-01-2012 FEMALE YORUBA		This is a financial services company located in a highbrow area of Lagos. They are surrounded by big financial institutions. Most of their clients are from these financial institutions. The business facility is well spacious, beautiful and equipped.	She started the business and is more involved with the day-to-day management of the company. She gave a good description of what they do; her passion for what she does is almost tangible	Although the business is small but it seems to be growing steadily.	10 years previous work experience: -Management -Auditing -Administration	NA	NA	-Easy to effect change instantly -A large percentage of my time usage is determined by me. -As a woman, I can conveniently combine work and family effectively. -Running your own business makes you	-Non-family businesses (NFBs) have & maintain better structures -Reporting lines are clearly stated and followed (observed) in NFBs. In FBs, decision making process is a bit more informal and quicker	-Accountability -Ability to take "spousal corrections" without prejudice -Quick decision making and adoption and/or implementation -Un-hindered commitment to ensure business success	-Lack of full control -Unsolicited inputs which causes friction if not implemented -Limitation

								more knowledgeable and vast in all areas of processing and management			
26-01-2012 MALE YORUBA	MD/CEO (Owner)	This is a community pharmacist/supermarket. It is managed by a middle aged man and his wife. It appears to be the main pharmacy in that community. It is also closed to a big government general hospital. I want to assume that over 90% of patients from this general hospital go there to purchase their drugs. During our interaction, I observed that there was a regular flow of traffic from the beginning of the interview until its	The owner is a qualified and trained pharmacist. He's been in the business for over 27years. Despite having a trained staff working for him, he pays attention to every client that walks into the pharmacy. He highlighted that his constant presence in his business is mostly responsible for the trust placed on the company and its products by members of the community and it's environ.	The pharmacy/supermarket is mid-sized. Unlike the other pharmaceutical company that I interviewed, he appears to be more focused on 'the pharmacy' than 'the supermarket'.	2 years previous work experience: -Arrangement of stock -Merchandising -Dispensing and Counselling	NA	NA	-It allows for more discretion on my part -There is total commitment to the job	-NFBs have laid down policies to follow -NFBs does not allow for individual discretion	-Allowance for discretion -Quick decision making process	-Wrong business decision can easily be made -There is little control over expenditure.
26-01-2012 MALE EDO – (Minority)	MD/CEO (Owner)	This is a small property management company located in a very good area of Lagos. Office space is serene and nice.	He started the business after much struggle to succeed as an entrepreneur. After working for various organisations, earning meagre salaries, he was able to set up this family centred business after marriage with the support of his wife. They are still at the initial growth stage, but he appears to be quite ambitious and positive of his success.	The business is growing steadily. The founder depends strongly on his wife and her support for the business. He leverages on all contacts possible.	9 years previous work experience: -Self-motivation -Skill management -Marketing & staff management.	NA	NA	-It makes you to be focused -It makes you strong in business -It makes you bold	-Chairman can only come from the family -Top management positions are mostly occupied by family members	No response	No response
27-01-2012 MALE	Chief Medical Director (Owner)	This hospital can also be referred to as a community medical facility. They offer cheap	The owner's father played an important role in the setting up of this clinic. His wife and children supports	The hospital is always busy. It can be considered to be a family practice. The doctor works long hours	5 years previous work experience:	NA	NA	-It allows for continuity of core values -It allows room for expansion	In NFBs, there is no presence of a sense of ownership	-Commitment -Loyalty -Security -Friendly environment	-Jealousy -Difference in values -Narrow view -Financial

YORUBA		medical services to this urban community and it's environ. The owner is a consultant paediatrician who has general practitioners on his pay roll.	the business. His family provided all the financial support required for starting the business but after a few years, the business was able to run on its own.	and is fully committed to seeing the practice grow its clientele. There is also a strong desire to transfer the business to the next generation.	-Clinical -Management			-It gives better job security		-Career prospect	constraint
27-01-2012 FEMALE IGBO	Director (the owner's spouse)	This interview was conducted at the owner's residence. The company is involved in variety of businesses. It is managed by a couple; the man is involved in soliciting and executing business deals while the wife handles all administrative issues including liaison with auditors etc. It took place over a period of 3 days with breaks to attend to urgent issues at the place of work.	Most business decisions are taken by the husband. They have engaged in major business transactions in oil & gas, government contracts and retailing.	The woman is mainly supportive of her husband's decisions concerning major business deals. They are also grooming their children to take over from them upon retirement.	NONE	NA	NA	-You are more passionate about the business -There is a greater sense of joy presiding over it -Commitment to the business is greater -Return on Investment (ROI) is retained in the house	-FBs are mostly informally structured -In FBs, reporting and accountability is often slow -In FBs, loyalty to the company is often less -ROI is often prorated in FBs	-Impose & insist on proper accountability -Resist the temptation of spending big funds -Need for proper record keeping -Need for self-discipline	-Recklessness in spending -Poor record keeping -Absence of delegation of duties -Absence of differentiation between company and self.
27-01-2012 FEMALE IGBO	Daughter of the founder	This is a typical family-centred business. The business, founded by an Igbo man has all his children involved in it.	The woman has a definite role in the business. She is also a part-owner. This has fostered her commitment and dedication to the business and its success.	Generally, this transportation and haulage business is small but growing.	NONE	NA	NA	-The opportunity to test out my ideas is encouraged by my parents -Prestige of belonging to the family business -Learning leadership skills on the job	No response	-Family values -Alignment of family members with the firm's goals -Commitment of family members -Trust amongst family members	-Lack of communication with non-family employees -Occasional conflict among family members.
30-01-2012 MALE URHOB (Minority)	Owner/ Founder	This is a small financial services company. They have a small office space but would be considered to be adequately staffed for the volume of business that they engage in.	The discussions while completing the questionnaire was centred mainly on the level of support received from his family (his spouse and siblings). His wife and siblings commit part-time hours into the	The business is a growing financial outfit. The founder is well motivated and is confident that the business will remain in the family. His wife, who is a management staff in a big educational institution and his	25 years previous work experience: -Accounting -Investing -Management	NA	NA	-More flexible work hours -Prospect for financial prosperity if all works out well -Lower risk of redundancy in later years of one's career	In FBs, there is -Less formal means of communication -Decision making is concentrated -High level of family input into decision making	-High level of self interest -Job security of family members	-Family sentiments may becloud sound business decisions -Family-member employees may show less

			business. Helping out with reconciliation, accounting and tax issues.	children help out from time to time.				-Prospect of passing down the benefits of your hard work to your children	-Structure often not well defined		commitment as a result of sour family relationship -There is less access to finance -Family members may be entrusted with responsibilities which they are not really capable of accomplishing
30-01-2012 FEMALE IGBO	(Founder)	She just moved her business from a smaller location to a bigger place, a better community in a highbrow area of Lagos.	She produces fruit juice using fresh fruits only without any additives. Her husband recently applied for and got a scholarship for her to attend an entrepreneurial training programme at the prestigious Lagos Business School (Pan African University). She draws her inspiration mostly from the support and involvement of her husband and children.	She claimed to have started the business from almost nothing with the assistance of her husband.	5 years previous work experience: -Marketing skills -Managerial skills -Administrative skills	NA	NA	-You can manage your time more efficiently -It is futuristic -You are compelled to work harder because it is a business that would move into generations. -have must not fail but succeed spirit	No response	-Keeping proper records -Honesty	Succession
31-01-2012 FEMALE YORUBA	Founder	The business is located in the heart of Lagos (in an open market). The owner has a lot of female employees with a few men involved in embroidery work.	This business was passed on to the respondents by her parents. Her other siblings are also involved in handling the finances of the fashion business. They have a lot of clients. From the information in the questionnaire, it is easy to see that she was born into the business.	The business is a second generation fashion business, a subsidiary of another bigger fashion business. It is owned by the mother company 100%.	NONE	-Introduce business contacts -We leverage on the parent company's goodwill.	No response	No response	No response	No response	No response
31-01-2012	(Daughter of the owner)	This lady manages her parents catering business. The	She is very knowledgeable about the business. She	The business is a small mother-daughter involved business. They	NONE	NA	NA	-Independence -More control of time and	No response	-Loyalty amongst family members -Total	-Difficulty in obtaining financial

FEMALE IGBO		business is located in the heart of Lagos (a very busy street).	obtained only elementary school certificate before joining her mother in the business. She is in her mid-forties. She commands a lot of respect from the employees because of her position within the business and the family that owns it	get occasional help from other members of the family.				resources		commitment from family members -More trust exhibited among family members	assistance from the banks -Lack of trust from the general public -Rivalry (sometimes)
01-02-2012 FEMALE (Spouse & Founder is from the MINORITY ETHNIC GROUP)	Founder's wife	She and her husband manage a very thriving property development and management company. Their office is at a good location in Lagos	Both husband and wife work fairly well together. The wife fights for the recognition of her views in running the business. She says that even though theirs is typical family centred business, they are not sure of the transfer of the business to their children.	The company manages a couple of high profile estates and buildings in Lagos and beyond; therefore, it is quite successful.	10 years previous work experience: -Knowing the rudiments of the real estate practice -Client satisfaction -Integrity	NA	NA	-Likely common vision -More passion is applied	-Family business is more sentimental	No response	No response
01-02-2012 MALE URHOB (Minority Ethnic Group)	(Founder)	The architectural firm is located in a quiet but highbrow area of Lagos.	This business was started by the man but fully supported by his spouse. They undertake designs and construction of buildings. I spoke with the wife who is very happy to support her husband with administrative issues.	The business has huge clients based on my observations. They have one child (a daughter), who is currently in elementary school. They can only hope that she falls in love with that career line.	3years previous work experience: -Design development -Human resources management -Client relationship	NA	NA	No response	No response	No response	No response
02-02-2012 MALE IGBO	Founder's son	This is a mid-size automobile company (trading cars). The Showroom/head-office is located on a main road so it is quite visible.	He works closely with his other siblings to manage their father's company. He complained of constant interference from his father amongst other things. However, he still considers the family business a positive influence over his life.	The business is over 36 years old so they have a steady flow of clientele.	NONE	NA	NA	-Easier capital generation -Time efficiency -Flexibility -You can be your own boss	-Discipline	-Cash & carry form of business -Discipline -Integrity -Record taking	-Lack of policy -Lack of discipline -Lack of expertise technical know-how -Lack of motivation
02-02-2012 FEMALE		This restaurant is owned by the respondent's mother. She is a	She is very passionate about cooking. She works closely with her mother and sisters in	This catering business is small but it has the full involvement of a woman and her three	2 years previous work experience:	NA	NA	-Focus of vision -It increases the general well-being of the	No response	-Synergy amongst family members -Succession plan	No response

YORUBA		graduate with university degree. The restaurant is located in Anthony, another quiet community with middle to upper class residents. This restaurant offer both indoor and outdoor catering services.	managing the restaurant. Her mum is still very much involved in the business. According to her, she has brought in additional services to this catering business which has kept it going despite stiff competition in their location.	daughters. Her son who is a banker also helps out with the finances.	-Customer relations -Sales strategy			family -Increases family bond -Promotes family growth		and execution -Business property should be owned by the family -When older family members concentrates on management and younger family members on marketing/field work.	
02-02-2012 MALE YORUBA		This is a photography business located in the heart of Lagos (a very busy location).	The business was started by the respondent's grandparents. Despite being a university graduate, he picked interest in the business as a young child. His parents were mildly involved but decided to pass it on to him as soon as he graduated from college. This business is a subsidiary of the bigger company started originally by his grandparents.	The respondent appears to be very passionate about the business and is willing to work at improving and expanding its services.	NONE	-Work experience -Encouragement -Provides leadership	-No free movement -Less money paid for work done	No response	No response	No response	No response
03-02-2012 MALE YORUBA	Manager	Respondent is the owner's son. He manages the school alongside his parents. He also has a job teaching in a well-known large school in Nigeria. This according to him is to gather enough high quality experience which would enable him run the school when it is transferred to him eventually.	The school is well developed with enough specialised teachers to cater for the community in which it is located.	The owners are getting old, but fortunately their son and his wife are educationists who are also interested in the business. The business would be transferred to them eventually.	15-18 years previous work experience: -ICT (use of ICT in teaching and learning) -teaching using play-way method -interpersonal skills	NA	NA	-It gives one more time -you can express your vision or idea in your own way -you create job opportunities for others -it allows you create wealth for yourself	-in FBs decision making is very fast -very few people are needed to run a FB -If well planned FBs can last for a long-time thereby providing wealth for even unborn	-dedication to the business -availability of funds -employees' welfare and pay package is priority -having strict business policies and principles -location of business and how relevant it is to peoples' needs.	-growth of business is very slow -funding (availability of funds to run the business -death of an important member of the family (for example the owner) -taking wrong decisions without enough consultation.
03-02-2012 FEMALE	MD/CEO (Owner)	She runs her catering business from her apartment. Her teenage	This business offers mainly outdoor catering services. They also produce	The business seems to thrive on determination of how to make it work and the support she gets	NONE	NA	NA	-Decisions are taken collectively -There is more	No response	-Honesty	-More laxity in FBs -Conflict -In FBs,

IGBO		daughter is very much involved with the marketing and sales of some of their customised products. I witnessed her making some deliveries. Her employees also work from her apartment even when they have a large catering to do.	different products which they deliver to supermarkets, fast foods, corporate organisations and individuals.	from her spouse and daughter.				output because work is being done together -Truthfulness exhibited by family members -The business can go on even if one person is not around			decision making is not taken seriously.
03-02-2012 MALE ISOKO (Minority tribe)	Founder/ Owner	This is a printing and packaging company located in suburban area of Lagos. Their products and services are in high demand. The company is owned and managed by a middle-age man.	He started the business in 1989 and his dream is to pass it on to his children upon retirement. The children do internship in the company when they are on break from school. He runs the business mainly from his personal savings and family income. He is averse to borrowing from financial institutions.	Generally, I would say that this is a thriving business with clear focus and vision.	15 years previous work experience: -Managerial skills -Marketing skills -Public Relations skills	NA	NA	-Decision making & consultation is faster -There is incentive to work harder for greater return on investment (ROI) -In most cases, profit from the business is not shared but put back into the business.	-In FBs, the CEO performs several functions (accounting, marketing, administration, etc.) -Employees are hired and fired without notice or protocol -In a family business, the CEO can take some major decisions alone whether it impacts positively or negatively on the organisation	-Finance relations/ interpersonal relationship -Acquisition of assets (e.g. landed properties, shares). These are mostly used as collaterals for bank loans -Do not involve too many family members in one business	Most family businesses die with the founder -Outside investors are weary of partnering with FBs -Lack of bank finance Lack of control in the absence of the CEO
05-02-2012 FEMALE YORUBA	(Founder's Cousin & Business Partner)	This lady runs a telecommunications business with her older female cousin (the founder of the parent company). They sell recharge cards, GSM phones, make international phone calls, and render all other types of telephone services to the public.	During my conversation with her, I observed her motivation and commitment to the business. She is a college graduate with professional qualifications. She intends to still go into the formal sector to acquire more technical skills to bring into the business.	This business is a typical small business with a steady growth. The two cousins are very motivated and stay very close to their business. I met the other cousin; they work very well together and also have a lot family support.	NONE	It gives vast knowledge about the business	No response	-Availability of more market and customers -Having a technical know-how about the business -funding the business could be sourced for internally -The workers have more zeal for the business because it's theirs.	Business is not as organised and effective as non-family organisational structure.	-When the business is separated from the owner -Proper decision making	-Polygamous family owning and sharing a business when the founder is gone (typical in an African setting) -Unstructured decision making -The owner's too much attachment to the business -No proper job description
06-02-2012	Owner	This is a mid-sized	This elderly man is	Generally, I had a very	15 years	NA	NA	-remuneration	-decision making	-prudence, a	-nepotism

MALE IGBO		family business operated from the house. It is a very big house, large compound, with a large factory situated within that same compound. They produce pure drinking mineral sachet and bottled water.	very interesting. He is well bred and read. His wife is a consultant in a field of medicine. His children are also being trained abroad. He told his older child who is a graduate to get some work experience outside the family business before he joins the business. He left his job in his middle-age to keep an eagle eye of his children and their education. The business turned out successful contrary to the expectations of their friends and family. His wife has also invested from time to time in expansion programs.	good conversation with him. He is very passionate about the business but would want to see it outlive him. This is why he's training his first child both internally and externally to take over this very successful family business	previous work experience: -savings propensity & prudence -marketing skills -managerial skills			is more satisfying -you will be more productive because you can read the business personally and transfer it to your business -decision making is easier and streamlined	is more structured in NFBs -however, there are minimal politics in FBs	good savings culture -when there is a clear organisational structure (the structure must be aligned to the goals of the company) -when things are done on merit	-lack of organisation -too much spending
06-02-2012 FEMALE YORUBA	Co-owner	She is a vibrant woman in her mid-forties. She has a very pleasant personality. Her business is located in a busy area of Lagos where party and event items are being sold. She started this business while her husband was still in employment but right now, they handle the business together. Other services have been introduced into the company such as catering services, haulage and property development.	She has a lot of clients all over Lagos. She is an entertainer who gives so much to her business. Her husband now handles the administrative and finance aspects. He also manages the haulage and property development aspect of the business.	The business appears to have weathered a lot of storms. The couple have a child (son) whom they hope to transfer the business to, eventually irrespective of the career path that he chooses.	5 years previous work experience: -customer relationship management -ability to plan and co-ordinate events -marketing skills	NA	NA	-decision making is quicker -family shares profit -cordial relationship between family and employees -account of business is not subject to publication	-in FBs duties and job schedules are not well structured -in FBs there are controversies in the line of reporting -conflict in the family may result in decision making being slow or no decision taken at all.	-mentoring on the job training	No response
06-02-2012 FEMALE	Daughter of the Founder	The hotel is managed by a young lady and her	The owner's daughter is a very young lady, a fresh graduate.	The hotel shows a typical father-daughter managed business. It	2 years previous work experience:	NA	NA	-making decisions collectively	-financing issues is settled collectively in	-collective decisions -marketing	-sometimes different ideas could breed

YORUBA		aunt on behalf of her father. The hotel and restaurant is situated in a sub-urban area of Lagos. It is mid-size and well decorated. While I was there, it had a regular flow of customers.	According to her, she has been involved in the business for a long time. Her father brought her into the business at a very young age because his plan was to hand it over to her as soon as she is able to run it on her own. All the experience she has was gathered on the job. In addition to this, her father's younger sister is also at hand to put her through certain areas of the business.	has a regular clientele and the opportunity for growth appears big.	-managing relationships with customers -understanding that the main aim of the business is to satisfy customers			-it gives rest of mind that the business is managed by my family rather than an outsider -collectiveness and better relationship in the family	FBs -performance and growth in FBs is collective -goals and objectives in FBs are different	-more finances when needed because it is a collective effort -it makes goals to be achieved as at when due	problems -financial problems at times -differences in goals and objectives.
07-02-2002 FEMALE YORUBA	Founder	She is a young passionate woman who runs this events management/training institute. She is a law graduate who practiced as a solicitor before resigning to set up this business with the assistance of her spouse. I spent a few days with this woman before I completed the questionnaire. Her husband is in charge of expansion programmes and finances.	The business plan events for schools and also teaches children poise and etiquette. She works from home but has individuals and other companies working for her. She told me that her older that runs a similar business (on a bigger scale) has been a huge source of help to her: materially, technical know-how and business contacts.	The business is still relatively new. Her husband has pumped in a lot of money into the business especially at this growing phase. She in return is spending most of her time on business development. They both have very positive view of the business based on existing clients, prospects and business forecasts.	5 years previous work experience: -personnel management & training -customer service and client management -children welfare services.	NA	NA	-decision making -timing of activities/ flexibility of working hours -greater drive and commitment to the business -expenditure and profits control	No response	-trust and credibility -dependability -closer monitoring and supervision -ownership mentality -prompter responses to issues and faster decision making procedures	-no clear cut job description/ delegation -no fine clarity between personal and business funds
08-02-2012 MALE YORUBA	Founder	He is the founder of these pre-school, elementary and high school. These schools are located in a sub-urban area of Lagos. It caters for the needs of people in a very big community and its environs. His wife is a trained teacher and an educationist.	He handles business development and the finances of the Group. He also does most of the marketing. She is in charge of the administration of the school. Their first daughter is already trailing in their footsteps. She is lecturing at a private higher school of	The school is well staffed. The owners are very passionate about their students and staff. They appear to dedicate a lot time and resources into ensuring that the school is run properly and professionally.	19 years previous work experience: -work ethics -discipline -courteous attitude -hard work -accuracy -accountability	NA	NA	-emotional attachment -decisions reflects the esteemed creed and values of our family -sense of fulfilment and achievement	No response	-when there is a clearly defined reporting organisational structure -recruitment of non-family professionals to handle some aspects of the business -admission of experienced non-	-non-coherent decision making (when decision making is affected by family considerations and emotions. -influence on recruitment and selection by family

		She manages the school.	learning and is currently undergoing her masters' degree in the United Kingdom.							family members into executive directorship positions -succession plan in place -planning	members.
08-02-2012 MALE YORUBA	Founders' son	He is a young man who manages this pre and elementary school for his parents. The school is located in an estate in an urban centre. It is quite old with old facilities.	He is in charge of all aspects of the business. He spoke of his parents and how he is managing to ensure that quality before profitability is maintained	The school still has a sizeable number of children. The plan to bring in more innovation is being implemented gradually	12 years previous work experience: -building skills -educational management -intellectual and developmental skills	NA	NA	It helps individuals and the society in general	No response	Financial strength from the previous generation	No response
08-02-2012 FEMALE YORUBA	Founder's daughter	This business is located in an open market in Lagos. It is a very busy market. It is a wholesale business representing various food and beverage manufacturers.	She was born into this business. Her mother's involvement in this business was influenced by her maternal grandmother who was in the same line of trade. Despite her being married and well educated, she finds fulfilment in the family business.	The business is well managed with enough helping hands both internally and externally. It is a very busy shop and I was made to understand that profit is made from volume sales.	3 years previous work experience: -prudence -honesty -good customer relationship	NA	NA	-it encourages skill acquisition -it reduces over dependency on government for jobs -it improves and sustains income generation at local government level	In FBs leadership and ownership is by inheritance	-family bond -zeal to sustain family status	Competence might be compromised because leadership and ownership is by inheritance.
08-02-2012 MALE YORUBA	Founder's son	This is a mid-size printing company located in a sub-urban area of Lagos.	The business was founded by his parents. He is a member of the management staff and also participates in taking major business and administrative decisions within the business. The business is well managed and has been in existence for over 20 years. He mentioned that his parents have dedicated so much resources, time and energy into the success of the company; he is therefore going to put in his best, bring in more innovation and	The company is quite large and busy. The respondent seems to have a huge respect for his parents' investment into the business. He has requested that their business name is not mentioned in any of my reports. I revisited this issue- I have obtained permission to write out the business name for this qualitative report (28/04/2012).	3 years previous work experience: -management skills -IT skills -employee compensation and health care.	-more funds available for my business -better public relations (PR) -bigger market	-decisions time takes longer -bigger expenses -reputation has to be upheld at all times	-emotional attachment and zeal to succeed -more respect from employees -greater control of profit and funds -more fulfilling	-NFBs' structure is more defined -In NFBs, it is easier to raise funds from financial institutions -Extended working hours are more when setting up a FB. This however drops once the business is established unlike in a NFB, where the working hours are fixed whether there are tasks to perform or not.	-sentimental attachment -legacy -fear of failure -competition among friends who are also involved in FBs	-at times, decisions are not taken on time -different opinions on the best approach -personal interests (individuals) above the family's interest -unhealthy competition and inability to express yourself out of 'respect' for older family members.

			also ensure sustainable growth.								
08-02-2012 MALE HAUS A	Founder	This is a business owned by an uneducated man and his wife. They are into farming and trading of farm produce. Their trading business is located in a busy open food market in Lagos, where mainly wholesaling takes place.	The man explained that he was born into his farming. His parents were farmers so naturally; this was the best career option available for him. His wife joins him in the business.	He appears to be very comfortable. He is training his children in the business and hopes that once they are old enough, they can join in fully.	2years previous work experience: -business management -basic accounting -farming (technical know-how) and also farm management.	NA	NA	-allows me to have full control of my time -allows me to express myself freely -allows creativity and sense of establishment	In family businesses, there is: -a good succession plan -high input of personal finance -high input of time and energy -free decision making	No response	Having to work with difficult relatives.
09-02-2012 MALE IGBO	Founder's son	This is a well-structured manufacturing company, producing paint. They also have a property development arm.	He is well knowledgeable about the business. He has done internship in the company over the years during breaks/holidays from school. He now works full time at the company, even though, his father is still very much involved in managing the affairs of the company	This business appears to be a well-managed and highly successful family business. His father and mother are fully involved in the business, so also his sibling.	2 years previous work experience: -discipline -exposure to best practices -focus and accountability	NA	NA	-ensures commitment -business success translates to personal success -provides a platform for the next generation -focuses your energy on what you like.	-definition of roles and functions -career path -Succession plan -business focus	-professionalism -defined reporting lines and responsibility -clearly defined vision -mentoring of the next generation -training	-issues of corporate governance -lack of financial discipline -sentiments in business decisions -continuous succession
09-02-2012 FEMALE YORUBA	Founder	This is an entertainment company managed by a woman and supported by her children. The business is small but they handle events for a sizeable number of clients in Lagos. They have a small office space and make use of both their full time staff and casual staff for events.	The business is easy to own, manage and run. It is in her opinion that her children can manage the business irrespective of their career paths. It is an interesting business and she enjoys it. Her children support her when they have major jobs.	The owner does not want her business name mentioned in any of my report for personal reasons. They face several struggles but overall, the business is surviving based on personal and family contacts.	NONE	NA	NA	Control	NONE	Ownership	No response
09-02-2012 FEMALE IGBO	Founder	This business is located in an open market in Lagos Island. They sell fabrics which are in turn sown into various styles. It is	The business makes most of its monies from designing fabrics for middle class clients in Lagos. The woman is a college graduate and has	Overall, the business seems to be well supported by the founder's husband.	I year previous work experience: -technical know-how -managerial skills	NA	NA	You have more visibility of the business	No formal structure in a family business	-commitment of family members -total loyalty to the business	Too much work is loaded on very few people (no division of labour).

		managed by a woman with the physical and financial assistance of her husband. The company is also into fashion designing.	innovatively combined the selling of fabrics with designing them		- communication skills						
09-02-2012 MALE YORUBA	Founder's son	This company is into the manufacture of paint. It was started by the respondent's father in 1996. The business is not really old but the respondent's parents are gradually passing on full control to the respondent and his siblings. The company is located in an industrial area in a sub-urban area of Lagos.	Joining the family business was borne out of duty more than any other reason. He is enduring his involvement but look forward to delegating more responsibilities to his siblings so that he can commit his energy into his own personal business.	Overall, the business is profitable and rewarding based on the respondent's comments. However, he is not fully disposed to not having his own personal business.	None applicable to this business	NA	NA	-employment of staff -diversification -growth	-decision making -market penetration -profit sharing -self actualisation	No response	No response
10-02-2012 MALE IGBO	Founder	This is a multiple business set up by a man and his spouse. Their main line of income is their security outfit. The other services offered by the group include: catering, oil and gas. These are the main line of businesses of the parent company mainly managed by the man's two cousins. This business and its parent company are located on an island in Lagos.	These multiple businesses are owned and managed by a man, his wife and his two cousins. They divided the business equally amongst themselves and this has worked successfully till date. The respondent is the main contact for the business and also the largest shareholder. He gave out shares to his wife and cousins based on their input when he was setting up the business	The company's shareholders of have a good working relationship. They have tried to separate family relationship from the business.	NONE	-provides finance -provides motivation -encourages self-actualisation	-interference with decision making -discourages expansion -discourages diversification	No response	-planning -control -organising -actualisation	No response	-poor decision making -growth -profit sharing
10-02-2012 FEMALE NIGER DELTA (MINORITY TRIBE)	Founded by the respondent's spouse	She works with her husband in managing the business. Their company is located in the capital city of Lagos. They are involved in	Most of the business contacts in this company come from her husband's network. She however manages the administrative aspects of the business. She	This is a typical husband-wife owned and managed company. Their line of business makes use of mostly labourers (employees with no education but specialised skill in	5years previous work experience: -customer service - communication	NA	NA	-you give your all -you make all decisions whether good or bad yourself -you have your own time	Allowing family members to hold positions that they are not qualified for	-discipline with finances -the need to be real and truthful to yourself -the family need to take policies seriously	-making most decisions yourself -never last to the next generation.

(FOUNDER IS YORUBA)		professional bricklaying.	was recently on an expensive entrepreneurship programme by her husband at the prestigious 'Lagos Business School'.	bricklaying). They look forward to a generational involved business; however, their children are still very young.	skills -paying attention to details						
10-02-2012 MALE YORUBA	Founder's son	This is a mid-size family business involve in contracting. The company is located in a highbrow area on an island in Lagos.	The founder's son works in the family business. This family business is owned by another company which has their family interest as 60% while the remaining 40% is owned by non-family friends. He claimed to have brought in most of the innovative ideas improving the ways they render their services.	He is young and energetic. I did not have the privilege of meeting his parents, but filling out the questionnaire with him provided a lot of insight on how the company runs. This shows that he is very much involved in the business, its operations and major decision making.	3 years previous work experience: -marketing skills -stock taking -balancing of accounts	-promotes accountability -leverage on the parent company's name and tax records	Restriction of autonomy	Decisions can be made easily	Sentiments rule in family businesses, but the affairs of non-family businesses are conducted strictly on business bases.	-dedication -loyalty	Family members are always taken for granted.
10-02-2012 MALE YORUBA	Founder's son	This is a very large factory situated in an industrial area of Lagos. The community surrounding this factory are mainly low-income earners. The company's compound is large, spacious and very modern. I was ushered into his office soon after I got there.	I had a very interesting conversation with the founder's son. He is one of the very few 2 nd generation family business owners and managers who showed real interest in the family business. He told me about his sojourn abroad and his decision to return to the country after a few years. His father owns several companies in and out of Lagos. His father however has three wives. What he did was to divide the major companies among the 1 st sons of each wife. He got then a dead wire and cable company and said to himself that before he can commit any time and energy to it, his father must sign over some shares to him. The old man was very	He is a very energetic and forward looking young man. He is very much passionate about his family business. His immediate younger brother from his mother works as his deputy (deputy managing director). He walked in during our meeting; they seem to have a cordial working relationship. He stressed the need of part-ownership by children in FBs rather than sentiment. He claimed that this is very important if the founder wants succession to be successful.	3 years previous work experience: -financial management skills -marketing skills -management skills	NA	NA	-quick decision making -faster growth -outliving ones' name -passion for the business	-more formal structure in NFBs -In FBs, there is hindrance to growth by decision makers -long term commitment in FBs	-security of long-term executives -right mix of family executives -clear goals and objectives	-conflict of opposing interest -family conflict -lack of drive -change management.

			reluctant initially but when he was left with a very little choice, he eventually agreed to the deal. Judging from what I witnessed, (the factory, the volume of business calls, the various announcements of bankers waiting to see him, I believe the company is doing very well.								
11-02-2012 MALE YORUBA	Founder – Chief Medical Director	The clinic is managed by a medical doctor and his wife (a nurse). The clinic is located in a busy area of Lagos serving both residential homes and businesses. The environment of the clinic can be described as fairly clean and very inexpensive.	The practice can be regarded as successful. They have a steady flow of patients and also have their regulars. They offer a moderately inexpensive service to community in which they are located. The doctor and the wife intend to keep this business in the family.	Generally, the practice appears ok. It is relatively clean. I must agree that their location is strategic as it serves both residential homes and businesses in the busy area.	3 years previous work experience: -managerial skills -hands-on knowledge of managing patients -accounting skills	NA	NA	The FB has promoted unity and trust among my family members	Lack of a formal structure in FB	-Trust -Commitment -There is family values -There is the willingness to commit longer hours	-Power tussle - Mismangement of funds -not separating personal funds from company's funds.
13-02-2012 MALE HAUSA	Founder	This is typical family business owned by a Hausa man in Lagos. It is a bureau de-change operated in a sub-urban area of Lagos. The area is surrounded by banks and the street can be considered to be a business area (it is full of major companies and shops).	He was brought into Lagos by his elder brother years ago and introduced into the bureau de-change business. He spent 10 years learning the rudiments and secrets of the trade from his brother. He now has his own clients; his male children are also learning the business from him.	This is a small business owned by a Hausa business man. His five sons and three brothers help out in managing their clients all over Lagos that require foreign currency for their businesses. It is a typical traditional family business.	10 years previous work experience: -administrative skills -foreign currency trading -customer service	NA	NA	-flexibility of time -there is the ability to achieve set goals quickly in comparison with NFBs	There is no formal structure in family businesses	-the willingness of family members to work for lesser amounts than non-family members -family members commit more hours to the business	-there could be disagreements between spouses over certain decisions -lack of financial prudence sometimes
13-02-2012 FEMALE YORUBA (FOUNDER IS IGBO).	Founder's wife	This is a Cargo handling business owned by an Igbo business man. He handles the technical aspect of the business while the respondent manages the administrative and	She supports her husband full time in the business as a back office staff. It is a small family business which draws most of its' business contacts from his (respondent's spouse) network.	The business is well structured. The wife is very submissive and would follow all business decisions made by her husband.	4years previous work experience: -operational technique -cargo handling -managerial skills	NA	NA	No response	No response	No response	No response

		finances of the company. The business is located at the busy Lagos International Airport.									
13-02-2012 MALE IGBO	Director & Founder's son	This is a mid-size family business founded by an old Igbo businessman. The company is located in a quiet business street (highbrow area) on an island in Lagos. They export processed wood to neighbouring African countries. They also produce high quality pure wooden furniture which they also sell to foreign markets.	My interview with the director was another interesting and enlightening one. He is however one of the 2 nd generation family business owners/managers who is not really interested in taking over the business fully. He wants to have enough spare time to create his own brand besides from the family business. He believes that fathers do not really give enough consideration to the personal feelings and aspirations of their children. Once these fathers have a successful business, they push for all their male children to participate in that business. He claimed that he and brothers were not given much option about participating in the business.	This business earns most of its income in foreign currency. Despite the show of lack of interest in the business, he volunteered that he would go to any length to make sure that his responsibilities within the business is carried out properly. He is the financial director of the company.	NONE	NA	NA	-job security -greater say in policy formulation and implementation -ability to take business decisions unilaterally and quickly	-key positions held by family members versus key positions held by qualified employees -responsibilities overlap in family businesses -assets differentiation low in FBs	-proper accounting methods and practices by externals -dissolution of control at the top -adherence to delegating (especially to non-family members)	-improper structure -mis-match of capabilities (individual) -abuse of business processes -poor distinction of company funds versus personal
27-02-2012 MALE IGBO	(Son of the founder)	He is an educated young man who works in his father's business. He sounded very much interested in the business unlike some other heirs I interviewed in the course of this research. The office is located on the mainland of Lagos	He displayed a good knowledge of his father's business. He mentioned that this company is one of the numerous businesses owned by his father. His elder brother manages another subsidiary company. He has brought in additional services and innovation into	The company appears to be well managed. The son is also very knowledgeable about the business. This must have come from years of working with the father even while in high school and college.	Internship in his fathers' company: -accountability -diligence -innovation	Positive influence	Most decisions are made by the parent company	-independence -control	No formal structure in FB	-trust -financial prudence	-no autonomy for the 2 nd generation especially if the founder is still alive -founder showing favouritism among children -conflict

		but in an equally busy area. The aesthetic view is appealing enough (although not too fantastic).	the company. This has provided room for expansion and growth.								
27-02-2012 MALE IGBO	Founder	He is a middle age man. His wife is fully involved in running this haulage and parcel services business. His three children also work with them on part-time bases when they are on break from college. The office is located on a busy street on the mainland.	The business was founded 11 years ago after years of internship and learning in another haulage company. The man is very passionate about his business and he's looking forward to growing it to the level that would make his children comfortable in managing it.	The company was very busy and there were lots of staff and customers moving up and down.	13 years previous work experience: -dedication -prudence -accounting skills	NA	NA	-it fosters unity among family members -control and independence	No response	-loyalty -faster decision making process -readiness of a successor	-conflict of financial prudence
28-02-2012 MALE IGBO	Son of the Founder	The parent company was interviewed yesterday. It is a transportation business that carries people from Lagos to the Eastern part of Nigeria. They have a big office in a busy area of the Lagos mainland.	He is a quieter version of his younger brother. The business is was the first started by their father in 1989. It is doing very well and has the involvement of his parents and other siblings.	The company is well known among the Igbos residing in Lagos. Their bus station is always busy according to their workers.	No	NA	NA	-FBs fosters loyalty among family members -it also build commitment and discipline in ones' children	No response	-loyalty among family members and towards the business -family members are more dedicated to seeing the business survive	-financial prudence is very low -lack of discipline with some business rules
07-03-2012 FEMALE YORUBA	Daughter of the founder	This is a typical mother daughter business located in the heart of Lagos Island. It is a very busy open market filled with middle men representing various companies in Nigeria and beyond.	She has been in mother's business for over 20 years. She took over completely after her mother retired; therefore, she owns the business 100% now. Her siblings and children join her in running the business now. She learnt all her trade secrets from her mum. They keep some information about this cosmetic business very close to their chest.	The cosmetic shop is well stocked. It was also very busy.	NONE	NA	NA	No response	No response	No response	No response
08-03-2012 MALE	Son of the Founder	This is a transportation business owned by his father (senior).	He talked with pride when discussing his transportation business. His younger	The company is well known among commuters to the Eastern part of Nigeria.	NONE	-experience -business connection	Lack of autonomy	-I am able to control of my time -it give me and	No response	Family values are introduced into the business	-conflict -favouritism

IGBO		However, it is managed by, his son. The subsidiary company is another type of Courier Services. Their office is also located on Lagos mainland.	siblings and children are involved in the business. His father is also very much involved in most business and management decisions.	The bus station is not too far from their administrative office.				my family recognitions amongst our friends			
13-03-2012 FEMALE EDO (Minority Ethnic Group)	Founder	She runs this property business with her husband. The company is located in a quiet highbrow area of Lagos. The company occupies a small building but with enough space for their business.	He works in the business part time handling only their finances. She does most of the networking and business deals.	The business is well structured and managed.	5 years previous work experience: -sourcing for property -valuing specialised properties -keeping records	NA	NA	-gives one the opportunity to use one's initiative -provides a platform for building an empire	No response	-unity of purpose -having the same vision	-funding -the demise of the founder affects the business.
14-03-2012 FEMALE YORUBA	Daughter of the founder	She is one of the children of the founder. She handles most of the business transactions of this old time business mogul. She is also particularly very close to him.	The company is a property and investment business. It is the oldest business of the founder. She is very vibrant and passionate about her father's business. She works long hours and is prepared to do more provided it would contribute to further sales growth. She is well read and so are her other siblings.	During our interview, Mrs Kudi Balogun received phone calls from her father several times. He appears that he monitors all transactions closely despite the fact that he is retired.	2 years previous work experience: -IT skills -managerial skills -accounting skills	NA	NA	-provides job security -ability to influence decision making	No response	-all family members behave and conduct themselves professionally -taking decisions separate the family -commitment	-lack of discipline -lack of Professionalism -inability to speak up in the face of wrong doing -lack of independence
15-03-2012 FEMALE YORUBA	Founder	She runs this mid-size chemist on a busy street of Lagos mainland. The chemist is well stocked and organised.	The Founder is constantly improving herself by attending both local and international trainings on entrepreneurship. Her husband is responsible for maintaining the company's financial record.	The chemist is very busy and professionally run. It is her desire that the business will outlive her and her husband.	18months previous work experience: -drug procurement -patient counselling -sore management	NA	NA	Immediate financial decision can be taken	There is a dispassionate focus of staff input in NFBs	-dissociating self from the business -having a win-win attitude despite all -keeping family issues away from the business -enforcing proper organisational structure -focusing on profit and performance rather than sentiments	-money problem -role problems -sentimental attachment -lack of control
18-03-2012	Founder's brother	The company is situated in a large	He mentioned that he commit long hours to	Generally, this is a very successful business.	NONE	NA	NA	-FB gives you more	-In NFBs, the owners separate	-high passion and commitment	-quarrel and bitter rivalry

MALE Minority Ethnic Group		space on Lagos mainland. It is a manufacturing company run by three brothers.	his brother's business daily. He has been working for him since he left college. However, he is not particularly happy that he was not able to secure enough share of ownership when he joined the business. He worked and grew through the ranks and he is now the director of	However, the respondent is very concerned about the way decisions are made sometimes, without give due consideration to normal due process. Unprofessionalism does surface in the business at times.				opportunity to express your talent -you can build your future on a FB -you manage a family business well by giving your best to it -job security and a guaranteed income.	the owners their shares -In a family business such as mine, the founder monopolises the resources	towards the job -pilfering and stealing is reduced due to the founder's and manager's self interest -research and development of new products is enhanced due to free information sharing	over money and resources sharing -lack of proper documentation -the business' profit would be shared among various interest groups.
29-03-2012 FEMALE YORUBA	Founder	The business was started some 20 years ago. It is small pre and elementary school. It appeared to have only few students when I visited the school a few days ago. She and her husband started the business together.	She is looking forward to when her oldest daughter will be done with college so that she can take over the business from her fully. She gets a lot of support from her husband and her extended family members	The company is an old school that needs major innovative ideas. The founder- She is however very committed to the school and her students. The location of the school is very serene; it is also in a large residential area.	3years previous work experience: -management skills -accounting skills -administration	NA	NA	-gives you ample time for your family -it is easier for transfer of business to the next generation -it brings unity and direction in the family	-in FBs, decision making is faster and avoidance of bottle-necks -there is more commitment in FBs than NFBs	Availability of funds- sourcing of funds and facility is easier	-lack of accountability -FBs are more likely to collapse (fail) than NFBs -at times, FBs are not well organised.
02-04-2012 MALE YORUBA	Founder's son	The photo shop is located in the heart of Lagos Island in a very busy street. It appears old but well kept.	He was busy excusing himself throughout the meeting. He joined the business 10years ago through the influence of his parents. Till date, his experience has been good.	This is a close-knit family business and major business decisions are taken jointly.	NONE	NA	NA	-working for my parents have had a positive effect on my life -I am more focused resilient and disciplined -quicker decision making -both personal and career goals are easier to achieve in a FB	In FB, there is an absence of a formal structure of operation	-family unity and oneness -strong loyalty towards the business	Occasional disagreements
03-04-2012 FEMALE YORUBA	Co-Founder	The business was jointly founded by a couple. They are into fashion designing. The business is located on Lagos Island in one of the big street markets. The shop location is small but big enough to	She mentioned that all major business decisions with regards to the fashion business are taken jointly with her husband. She handles and supervises the sowing while husband's main strength is in designing and creating	She raised few concerns about transferring arguments/disagreements from home to the office. She expects to see more professionalism on the part of her husband.	5 years previous work experience: -cutting of fabrics -cutting out various designs -sewing	NA	NA	-I have a sense of independence -I have a one-on-one relationship with my clients and this encourages them to be loyal to me	No response	-discipline of family values -resilience and devotion	-inability to control family members -lack of privacy

		occupy their various machines and other equipment.	new styles.					-financial independence and control - a sense of togetherness in the family			
04-04-2012 FEMALE YORUBA	Founder	She is amiable middle age woman. She runs this business with her first daughter. They have three outlets within a busy open market on Lagos Island. One of the outlets in currently undergoing a major facelift and renovation.	The founder of this mid-size business is very likeable. She takes her time to repeat whatever she says for proper emphasis. All her children are involved in the business in one capacity or the other. Her husband, a retiree also helps out with planning and execution of major business deals.	This is a clothing business with 'property development and management' done on a very small scale by the side. Each of their outlets has store managers and sales representatives. The business appears to be well structured physically but I am not sure if the main operations of the business are conducted without personal sentiments.	10 years previous work experience: -prudence -managerial skills -business know-how	NA	NA	-I had more time to train my children -prestige -I have control over my finances -Independence	Hierarchy in NFBs is well defined	-accountability -honesty -loyalty -defined structure -a good business plan	-lack of discipline with finances -favouring family employees over non-family employees -lack of a formal structure
9/04/2012 FEMALE YORUBA	Founder's Daughter	She is in charge of running this very big farm; they are also into the production of food drinks. The farm and factory is situated on a large expanse of land.	She grew up with her parent's business. The business have grown and expanded over the years. She claimed that she has brought in a lot of innovation into business since she joined them slightly over 5 years ago.	The business is still 100% owned by her parents. They are however planning to transfer majority of the shares over to her. The business appears to be well managed and expanding gradually.	15 years previous work experience: -administrative skills -time management -team working spirit	NA	NA	-job security -ability to grow -in control of one's fate -efforts put in to succeed	-informal management structure in FBs -no formal departments in place in FBs -ad-hoc way of handling administrative functions in FBs -autocratic way of running the company in FBs	-decentralisation of power at the top -working as a team -a formal organisation structure -a proper board of directors should be in place to be responsible for overseeing the company	-familiarity -lack of adequate structure -autocratic form of central leadership.
09-04-2012 MALE YORUBA	Founder's son	This business has been in existence for approximately 32years. It is an old car-garage selling both fairly used and new vehicles. The garage is fairly big.	He is very young and energetic with very big and bright ideas about his parent's company. He is quite comfortable with his parents and do not appear to face most difficulty experienced between father and son working together.	The company would be passed on to him and his siblings. The company is located in a very busy area; this may affect their sales positively.	NONE	NA	NA	-flexible timing -easy to raise capital -profit is maximised -continuity	-company and business policies -decision making process -business strategy	-keep family and business completely separated -administer serious discipline -accountability -proper record keeping -stock taking	-selling on credit is rampant and most times, these are irredeemable -lack of expertise -sentiments usually take the place of professionalism
10-04-2012	Founder	This dry cleaning business is situated	She has invested so much money into this	The family behind thus business has huge plans	14 years previous	NA	NA	-provides first line support for	-control in FBs is not shared as in	cooperation between the management and	-discipline and inability to

YORUBA MALE		in a sub-urban area of Lagos. The company is well equipped and occupies a spacious space.	business. She works very hard on building up their clientele with the help of his wife. They get their children involved most weekends. This business qualifies as a small niche family business.	to grow the business into a major household name in the community they reside in.	experience: -engineering skills -general managerial skills -project management skills			your family needs -provides the opportunity to bring your idea on the table -you have direct responsibility for your success and failure -personal satisfaction and fulfilment is derived.	NFBs -power is concentrated amongst family members in FBs -key positions rotates among trusted hands as against qualified personnel in FBs	family is very essential -good source of finance is very key and could be the single big factor -clear responsibility matrix amongst family members is essential -financial control has to be clearly defined -discipline and non-personalisation of issues is very important.	separate family issues from business -over bearing influence of the family members over the management -difficulties (if and not carefully watched) in enthroning excellence amongst staff -personalities of issues could occur.
10-04-2012 MALE YORUBA	Founder's son	This is a big oil and gas company with businesses in both Ghana and Nigeria. It was established 17 years ago by his father. The business handles contracts for both private and public sectors. The founder got his son involved in the business as soon as he graduated from college.	He is very knowledgeable about this business. He was trained specifically in the University for this purpose. He also obtained some certifications alongside his university degree to enable him compete favourably within the sector. His father is also still actively involved in the business.	The company has both father and son taking major decisions, and also chasing after major contracts.	NONE	NA	NA	No response	No response	No response	No response
11-04-2012 MALE YORUBA	Founder's son	This is an oil and gas marketing Company. They have filling stations in sub-urban areas in Lagos and its outskirts. It was founded by a local traditional ruler who has many children. The current Managing Director happens to be one of the most of the enterprising out of his children. This	The conversation with the son was very interesting. He is in his mid-forties. He runs his father's business with the same passion with which he manages his own numerous businesses. He picked his enterprising nature from his mother and father who both had and has various companies in and out of Lagos. His other	The business is a typical African family business. It was founded by a man who married many wives when he was alive. He left his various businesses to his numerous children. The Petroleum company is one of them however; it is also one of the very profitable businesses late HRH left behind.	10 years previous work experience: -managerial skills -accountability -strategy	NA	NA	-decisions can be taken more easily -strong loyalty towards the business -more effort is put into the business	FBs tend to have more members of the family in the business rather than more qualified individuals	-major decisions should be jointly taken -there should be easy access to information by members of the family -you cannot take business decisions all the time -employment also cannot be based on qualification all	-sentiments rather than business decisions -when you have to explain why some decisions have to be taken -none qualified staff -difficulty in taking certain decisions

		company was handed over to him to manage by his late father. He is in charge of most of the affairs of the company. His siblings mostly show up for profit sharing and occasional for board meetings.	siblings are also involved in the Petroleum business and other companies founded by their late father.							the time	
11-04-2012 MALE YORUBA	Founder	The Hospital is located in a very big community. The community is mixed (low-end below poverty level residents, middle class and the upper-end population as well). This hospital is centralised to all these categories of residents and can be considered as very affordable. Aniyun also provided a good alternative to the very big government hospital located in that community.	He runs this hospital with his wife. His brother is also a management staff in the hospital. He has also employed some of his other relatives to work with him especially in managing certain aspects of the business. He speaks with so much passion about keeping the hospital within the family. He looks forward to his son 'who is currently in medical school', taking over from him.	This is a good alternative to the big government hospital also located within that same community. It has a huge involvement of both his nuclear and extended family members. He seems to enjoy working with them.	8 years previous work experience: -technical know-how -experience in hospital management -hard work (ability to work hours).	NA	NA	-independence and freedom in decision-making -higher rate of self-actualisation -freedom to devote your time to other beneficial activities -freedom to do as much good as possible to others	-spontaneity of decision making when necessary possible in FBs -less bureaucracy	-must be value-driven; the values must be imbibed by all members of the family -hard-work must drive all employees too -employees must be carried along during major decisions -profitability must be demonstrated and shared to both owners and employees.	-initial financial outlay can be oppressive -difficulty in establishing trust with employees -fear of insecurity in employees -financial injection to assist growth can be a major handicap -technological improvement and financial need can be a major handicap too.
12-04-2012 YORUBA MALE	Founder's son	This company was founded over three decades ago by his father. It was passed on to him and his siblings by his father. They own and manage properties all over Lagos. They also run a farm and a food and beverage business.	He is a middle age man who manages this huge family business. He enjoys working with his father even though they have occasional misunderstandings; they still have a good working relationship.	This is another typical family business. Founder is retired but all the children are working together in one area of the business or the other.	15 years previous work experience: -finance -management process -HR management	NA	NA	-flexibility – change is easier to achieve -speed of decision making – informal meetings -loyalty of family and even non-family members -income base for future generations	-top level decision making is more informal -succession planning tends to revolve around the family -founder maintains significant influence over the business -culture tends to be more paternalistic	-well documented management processes -clear career paths for non-family employees -separation of ownership and control -adequate training of family members to fit role -competitive compensation to attract talent	-decision making influenced by emotional factors -dealing with incompetent family members in the business -turnover of good employees due to limited career prospects -separation of family from business.

17-04-2012 MALE YORUBA	Founder	Another community hospital located in an area filled with mostly middle-class residents. The hospital has been there since 1982. It is very spacious and it offers most services found in big government hospitals. The founder of the hospital is well experienced. He studied to become a doctor of medicine in the United Kingdom. When he came back to Nigeria, he started his medical career in a University Teaching Hospital where he worked for many years.	The hospital is managed by the founder, his wife (the Matron); his son (laboratory Services Manager); his nephew (Hospital Administrator). One of his sons is about rounding up his studies in the medical school. The father's plan is for the son in medical school to complete his studies, and take up employment in one of the big hospitals. This is to enable him gather enough experience before joining him in his practice. Another of his son currently works as a project manager in a major oil producing and marketing company. He wants him also to join the business after he must have gathered enough experience outside the family business.	This is a very successful family business. The founder is very passionate about his business. He is however risk adverse. Most of the expansions the hospital have witnessed in the past 30 years were mostly recorded when his wife joined him (40%) and most recently, his son (60%). He made comments about having a very bad experience with financial institutions so he would want to leave all expansions projects to his children.	5 years previous work experience: -medical diagnostic experience -management experiences -private practice experience	NA	NA	-more commitment -stability -security -continuity	-management -decision making -discipline	-trust -shared responsibility -continuity -understanding -loyalty	-conflict of interest -power tussle to delegate responsibility -discipline.
13-04-2012 FEMALE YORUBA	Founder	This is a majorly into event management. The company also trade in African. They run the business from their family home (her parent in-law's house). Her husband and brother-in-law are very involved in this business. The couple solicit for business together.	The couple handle all their events together. My conversation with the wife was very interesting, the kind of support and involvement she gets from her husband and brother-in-law is not very common in an African family. I was told that the husband's family started a chair/party items rental business originally. She opted to continue in this line of business after a few years of being a full-	This is a small family business. They work base on trust and dedication to each other and the business.	3 months previous work experience: -project management -planning -interpersonal skills	NA	NA	-it gives you an opportunity to do what you enjoy and still earn money doing it. -it also helps you prepare for your future while still earning additional income now.	-roles and responsibilities may not be clearly defined in FBs -you may have someone with multiple responsibilities in FBs -in FBs, key roles are held by trusted family members only.	-setting up and running the business as a going-concern rather than seeing it as a past-time. This will help shift your mind-set. -knowledge /experience and the application of standard ways of running corporate organisations are key. It is advisable that one or more	-inability to hire well qualified personnel/staff -there is always an issue at first. Not trusting outsiders -wanting to overly maximise profit at the expense of building a long lasting reputation for the business -things are

			time mother and only working on contract on a few occasions. Her husband works in a multinational at a management level but would sacrifice everything to join this family business at almost every external event they take on.							members of the family have extensive corporate experience -willingness and openness to bring in professionals to help run certain aspects of the business -thinking big and acting big about the business -being financially disciplined in running the business and be willing to continually re-invest in the business.	usually centred on the core owners of the business thereby making it hard to apply initiatives.
13-04-2012 MALE IGBO	Founder	This is a business owned and managed by an Igbo family. They are into repairs and servicing of generating sets. The company is located in an industrial location so access to big clients might be possible.	He works closely with his brothers in running this business. It is a very large polygamous family. Since family members are more committed to their own business, it was easier to get them to work him.	The business is quite busy. He mentioned that the brothers work very well together. They also have lots of relatives working in the business with them.	1 year previous work experience: -managerial skills - communication skills	NA	NA	No response	No response	No response	No response
16-04-2012 FEMALE YORUBA	Founder	The fabrics company is a typical textile trading store that should be on a busy Lagos high street. However, the founder using the knowledge she obtained from her grandmother and later on her father opened this mid-size fabric trading store in a big community in Lagos. It is a large residential area with few banks and shopping malls	She has worked all her life in the clothing business. This started with her grandmother and later her father. She grew up learning the trade from them. This made it become the next thing for her to do after college. She mentioned searching for a job for a few years but when that did not come on time, she just decided to carry on with the trade she learnt from her predecessors.	The fabric store is quite big and attractive. Well placed and located. She gets her children involved in the business during school breaks. She wants them to learn the rudiments of the trade just like she learnt this from her grandmother and father. Her husband appreciates what she does. He handles all her financial and administrative matters. Even though he is a professional with a good career, he creates time to oversee his	10 years previous work experience: -book-keeping -suppliers' contact leverage -business know-how	NA	NA	-you have more time to care for the family -flexible working hours	-FBs are family owned -managers are family members -decisions in FBs can be emotionally based	-commitment -dedication	-financial constraint -decision making is not broad based -hereditary problems: who takes over if the children are not willing?

		located within that vicinity.		wife's business when she goes on business trips abroad. Finally, she mentioned that most of her business contacts come from links from her father and grandmother. She also gets supplier's credit line from their own suppliers. This has made setting up the business and running it an easier task. This is a business she wants to see remain in her family for generations unending.							
16-04-2012 FEMALE YORUBA	Founder's daughter	The business is located on a busy Lagos high street. It is a typical large baby store with plenty of sales staff.	The daughter has always worked with her parents in this mid-size baby items trading store. She probably has only 2 years work experience outside her parent's business. She is well read, but she has put all her education and skills into developing her parent's business.	The business is a typical family business which would probably remain in the family for future generations to own, manage and also benefit from.	2 years previous working experience: -entrepreneurial skills -information technology -communication skills	NA	NA	-self employment -financial support -love among family members -no fear about the future	-NFBs are better organised -NFBs have better communication and information channels -NFBs have organisational hierarchy	- love among family members -trust -honesty -dedication -innovation -family values -family culture -discipline and -dedication	-disobedient to the senior members of the family - mismanagement of funds -non-chalant attitude -death of the parents that started the business.
16-04-2012 MALE EDO (MINORITY)	Founder	This is typical husband-wife fully owned and managed business. It is located in an industrial area. The company occupies a large office space and has a small factory on the same premises.	The couple are working towards building a business empire for their children. They share a good working relationship and try not to bring home issues to work. They both work full-time in the business. The husband is a qualified accountant with internationally recognised professional qualifications.	The company is doing quite well. The passion and drive to see it succeed and also outlive them was evident in our interaction.	15 years previous work experience: -financial and tax consulting -business plan -financial accounts preparation	NA	NA	No response	No response	No response	No response
17-04-2012 FEMALE YORUBA	Founder's wife	This is a busy home interior and property development company. It is	She runs this business with her husband on a full time bases. He husband handles the technical aspect of the	The company is somewhat popular and the plan according to the couple is to continue to grow it into a household	7 years previous working experience:	NA	NA	No response	No response	No response	No response

		owned and managed by her and her husband. Second nature is located in a big and expensive neighbourhood.	business while she oversees the retail side of the company. She also handles both administrative and financial aspects of the business.	name.	-negotiating skills -project management skills -administrative skills						
18-04-2012	Founder	This company was inspired by her husband. She appreciates his business acumen and interest in what she does.	The plan is for this couple to build and develop a business empire that they can pass on to their children.	The business is very busy and has a lot of clients. She has a very pleasant personality.	5 years previous work experience: -customer service -Marketing -follow-up skills	NA	NA	-you can put in your time to more constructive use -you can channel your energy towards maximum results	No response	-accountability -punctuality -tenacity of purpose	-the belief that you always have time on your side -tendency to sometimes swap punctuality for family issues
18-02-2012	Founder	This offers pre-school and elementary education in a very big residential and business located. The estate is very close to the Lagos International Airport.	The school is owned by this woman but co-managed with her husband. The school is a family based project and is managed as such.	I met with the couple. The wife is the school head but she works with non-family management staff as well. She on the other hand still maintains an external job while his puts in most of her time in building up the school to fit into the vision of the family for	1 year previous work experience: -learning to relate well with customers -managing employees -financial prudence	NA	NA	-it gives more time -it has given me the opportunity to make business decisions	-a FB is less formal than a NFB -a FB is more flexible than a NFB	-discipline -loyalty -zeal for success -passion -remain on a long-term basis	-lack of discipline -inability to make the right decisions -taking decisions within the family without consulting professionals.
18-04-2012	Founder's wife	This is a big agricultural business with both production and trading outfits.	She is a very boisterous woman. There is no dull moment with her. She works with her husband full time in this business. Despite having a good working relationship with her husband and employees, she keeps an eagle eye on the trading aspect of their agricultural produce.	The farm has outlets where their produce and poultry are sold to the general public. They produce poultry meat, eggs and other minor farm products on a large scale basis. She said both of them are working leaving the farm for their children upon retirement. Finally, I must mention that she puts in long hours to ensure that there is proper accountability by everybody.	Never worked in an external organisation before	NA	NA	-loyalty and commitment -financial sacrifice -family shares common values to grow the business	No response	No response	-death of the head may lead to the end of the business -there might be financial constraint -there might be conflict of interest.
19-02-2012	Founder	This couple operates a business that sells computer, computer accessories and electronics. The computer is located	He worked with a multinational company involved in IT; computers and its accessories for over 20 years before leaving to start this	Both couples are close and seem to do most things together. They have two children and intend to involve them in this family business as soon as possible.	20 years previous work experience: -computer products knowledge	NA	NA	-all efforts put into the business can be measured personally -you manage your time by	No response	No response	-if professional standards are not set at inception, then there would be a problem

		on a busy high street filled with companies involved in information technology (IT) services; trading in computer software, hardware; and various electronics.	business. However, his wife Frances started this same line of business on a small-scale while her husband was still in employment. They both now work full time in the business.		-market knowledge -ICT business contact and management			yourself -you are seeing the true picture -the sky is your limit			-family members may have problem managing each other.
19-01-2012 FEMALE IGBO	Founder's wife	This is an old first generation owned and managed Food & Beverage manufacturing and trading company. The factory is located at Yaba, a busy part of Lagos.	She works full time in this business with her husband. They produce food drinks, a high moving consumer product in Lagos and it's environ. She should be in her early 60s but she still put in long hours into the business. Two of their children are involved in the business full time while the other two work part-time prior to them gathering enough external experience before joining the business in different capacities.	This is close knit family business. The family have also employed a lot of their relatives to help out in the business.	NONE	NA	NA	-it can be passed on to the next generation -there is lower risk of fraud -there is room for family decision -it is cheaper to run	-there is UNITY in FB but there is no unity in NFB -there is COOPERATION in FB but in NFB every one wants his own share -FBs are cheaper to manage -NFBs cannot be passed on to the next generation	-there is unity and understanding in a FB -there is peace in a FB -expansion of business is easier in FBs -decisions can be made easily in FBs -there is lower risk of fraud in FBs	-lack of finance -lack of high marketing strategy
20-04-2012 FEMALE IGBO	Founder's wife	This is a pharmaceutical company that produces drugs. They have also employed non-family marketers, who sell their drugs to chemists across the country.	She works full time with her husband in this business. The company is well known in Lagos through their popular brands. The husband put in longer hours into the business while the wife works half-day most days to enable her care for the family part-time.	She is hopeful that one of their children would study pharmacy and take over this business eventually. She considers a family business to be very successful when both husband and wife share the same values and children. This makes it easier to pass on to their children who can then take it up from where they stop.	6 years previous work experience: -financial management -human management -human relations	NA	NA	-gives you time for other activities -more tasking but gives you joy -you get to plan your day by yourself -you have full control of your finance	No response	-working with passion -caring for the business with passion -managing business capital well -the type of workforce in the business	The death of the family head tends to slow the business down -if you have a wrong head, it will affect the business.
23-04-2012 MALE IGBO	Founder	This is a typical family centred business involved in security services. The company is located in a busy area of Lagos.	He is proud of his family's achievement so far. He claims that his wife supports him actively in the business despite having a regular job	The founder is very enthusiastic about what the family business is all about. He spends hours unending managing the affairs of the business, hoping that the business	13 years previous work experience: -motivation -good remuneration	NA	NA	-FBs have easier access to finance -senior executives are within the family	-In FBs, family members are executives -high job turnover -short life span -remuneration	-assigning responsibility/accountability -developing a major development strategy	-documentation -improper accounting -laxity among close relations -Delay in

		There were a lot of activities going on in and around the premises of the business.	of her own. Their children are still quite young but his plan is to build a security company that is a household name within his immediate environment.	will outlive him irrespective of the career path that his two children choose.	-marketing strategy			-FBs are usually strategically advantaged -FBs train their staff personnel informally	package: FBs tend to pay non-members lower salaries	-put everyone (including family members) on a payroll -do not let personal interest interfere with the family business	decision making.
23-04-2012 FEMALE YORUBA	Founder	This business is located in a highbrow area of Lagos. It is a small family business owned and managed by a couple.	He is very passionate about this business. She recognises and respects her husband position within the business.	The company is well managed. The couple seem to work fairly well together. They both have a strong vision for the business. The passion and desire to see that the business outlives them was also clearly expressed by his wife	NO PREVIOUS WORK EXPERIENCE	NA	NA	-FB gives a real sense of ownership of the business -decisions are easier and quicker to make -it gives full job security to the managing family member -it enjoys family financial support.	-in FBs, family members occupy top management positions even when they are unqualified -In NFBs, there are stricter rules guiding the employment of people into management positions	-bonding among family members -passion for the business -funding from family source -authority and leadership should be solely from the family -the family decision making process should be reviewed	-sentiments in decision making -loss of founder of the FB (i.e. death of founder could lead to problems in FBs) -loss of interest in the business by existing or other family members -Lack of adequate or alternative planning might lead to the collapse of the FB eventually.
24-04-2-12 MALE YORUBA	Founder	This type of business is not very common among small family businesses in Nigeria. Apart from being major distributors of known car brands, they use sophisticated equipment to diagnose car problems before carrying out any repairs on them.	This is a small family business owned and managed by the founder with a strong support from his solicitor wife. The business is located in a busy area in Lagos. He is quite young but he expresses a strong desire to capture more of the market from roadsides mechanics. He has a young daughter, who tags along from time to time when he has a car breakdown call to attend to.	The strong passion to grow this business significantly was freely expressed by the founder. He already has a vision of his daughter participating in the business (howbeit minute) when she is old enough.	10 years previous work experience: -identifying and knowledge of the functions of different auto-parts -diagnosing auto problems -management of technicians and/or staff	NA	NA	-It requires constant creativity -It has more longevity/lifespan -decision making in FBs are much quicker	-decision making process -staff orientation -efficiency on the job	-more research and development -training -strong customer service and management -marketing	-start-up capital -running capital -more personal conflict/ interest above business interest.
24-04-2012	Founder	This Venture processes a major	This is a very small family centred	The children work in the business some	On the job training. No	NA	NA	-flexible time: you can work at	In FBs, most the	-mutual understanding	-poor accountability

FEMALE YORUBA		staple food in Nigeria. They have a small production site and warehouse in a quiet area of Lagos.	business started by her but now managed by herself and her husband. They are both university graduates. Besides this food business, the husband does some consulting work.	weekends and during school holidays. The business has been in existence for about 11 years and it is still growing stronger.	previous work experience.			anytime of the day -convenience: can work from home -opportunity to work at one's space -ample time to care for the family	relationship between employees and family owners are highly informal	among parties in the family business -striving for objectivity in decision making -proper structure	-emotional sometimes prevent making objective decisions -raising finance could be a big challenge -keeping the business as a going concern after the demise of the promoter(s) is the Achilles' heel of most family businesses.
25-04-2012 MALE YORUBA	Founder's son and Managing Director	This business is a mid-size farm situated in a sub-urban area of Lagos. It is a fairly busy farm. They supply eggs and poultry to their community and neighbouring towns as well.	He is the only child that read agricultural science at the university out of this family's five children. He was also the one that showed great interest in the family's line of business. He was very upfront about the big responsibility of taking over the business from his aged father. Although, his other brothers and sister do have shares in the business, most business decisions are taken by his father, himself and sometimes his mum.	The farm is well run and managed. The effect of having a highly experienced family manager who combines passion, skill and experience cannot be ruled out for the growth experienced by this family farm.	No outside work experience. 2 years on the job training: -leadership skills -accountability -poultry farming.	NA	NA	No response	No response	No response	No response
25-04-2012 MALE IGBO	Founder/MD	This is a company that engages in a variety of businesses. It is owned and managed by a man and his wife. They have a dry cleaning business in front of their self-built home. Their	I met with the couple. They are both happy to be working together. She respects her husband's decisions and supports him in every way. They have two children. They are working on building their clothing, dry	This company is struggling with pressures from extended family members. Most of the challenges borders on giving employment to them and also pressure on the owners to give more money than to them what they can afford.	5 years previous work experience: -industry experience (farming) -managerial skills -managing people	NA	NA	-time allocation to yourself -in a position to take final decisions -in a position to delegate responsibilities and meet more people	- decision making -salary placement -observation of public holidays in FBs -family intervention (during crises) in FBs	- strict financial control -more international exposure -ability to co-ordinate all aspects of your business -personal experience	-financial constraints -risk management -facing stiff competition from NFBs -no government backing for FBs

		clothing and jewellery businesses operate from their home and a mini office that is used for meetings. They also have a mid-size farm.	cleaning and farming business to become a household name. When asked if they have considered passing on the business to their children, both husband and wife answered YES!	They have therefore resolved not to employ any extended family members.							
26-04-2012 FEMALE YORUBA	Founder's wife	This is a large trading store. They also have an agricultural business. It is a very busy store. Though I didn't physically visit the farm, it was presented as busy and lucrative.	This supermarket is a very busy store that she manages the while her husband runs the farm. She sounded and spoke of her satisfaction with the business. They are both working together to build a sustainable business for their children.	She supports her husband in the business fully. They share a common goal and vision for the family and business.	No outside work experience. On the job training: -business and market information skills -marketing skills	NA	NA	No response	No response	No response	No response
26-04-2012 MALE IGBO	Founder	This is a mid-size (actual production not employee size) furniture company. It is owned by an educated and focus man who is assisted by his wife. The business is well structured despite working with a lot of artisans. They have a large workshop and show room in a busy area of Lagos.	The founder, though very quiet in nature was very forthright about their business activities. His wife was present during the interview and it was obvious that they work well together. He said, he would want to transfer his business to his first son when he is done with his education and also must have gathered some external work experience. They had to wait for almost 15 years to have their first child together.	The business has a large clientele base. They were busy throughout the interview process. He is very much involved in the management of the business.	5 years previous work experience: -knowledge about various furniture making and wood processing technique -skills about handling some types of wood making machines -skills and experience in managing workers	NA	NA	-decisions can be easily made (no red tape) -it is much easier in managing staff members -easier flow of information -lower staff turnover	-no clear cut and well defined decision making process -overlapping functions -ownership structure are always one-sided -top management are always named by family members	-familial relationship -trust -easy management of information -feedback processes easier	-some business decisions are taken based on sentiments -succession problems -external interference in the running of the business -employment of non-qualified members of the family.
27-04-2012 FEMALE YORUBA	Founder	This is a private pre- and elementary school. It has a huge space and is operated in the premises of the family owner. I walked round the school; the different	She manages the school with her husband. Her husband oversees the administrative aspect of the school. She is quite enthusiastic about the business. She recently turned	The school is well managed. Responsibilities are well assigned to both family and non-family employees.	2 years previous work experience: -dealing with children's psychological needs -teaching in the	NA	NA	-there is focus on building the business -truthfulness in decision making and execution -planning is realistic and	In FBs, decision making and execution is faster -In FBs, there is direct involvement in decision making and its execution	-involving checks and balances in FBs is important i.e. board of trustees -separating business funds from personal funds	-discipline in funds management -fear of leaving the day-to-day running of the business to professionals

		classes were well demarcated. The pre-school is well equipped.	50years. She is training her first daughter who is in the university to take over the school from her. I was made to understand that the young lady is interested in education and have displayed strong passion towards the school.		children's department in Church -improvement in Montessori's application skills.			properly directed -working hours can be flexible	-In FBs, a quick change of decisions is possible if the execution of previous decisions is not going well -in FBs, it is possible to recognise the effects of decisions quickly.	-arranging priorities to ensure that the FB is priority -there should be no sentiments concerning decision making -researches are important in FBs to ensure high standards	if need be -emotional reactions to issues -when there are disagreements as per ideas, it could get out of hand if not properly managed
27-04-2012 MALE YORUBA	Founder	This is mainly involved in obtaining and executing government engineering contracts. They also have a huge property business. The owner involves his children in the execution of his jobs. Two of his children read engineering at the university.	He is in his early 60s. He has been into engineering contracts for over 21years. He also worked for approximately 20 years before leaving to set up this family centred business. I met one of his sons, who is a building engineer. The son is fully involved in his father's business. He is quite influential in Lagos State and uses his contacts positively for his family business and those branches managed by his sons.	He is building a business empire for his family. They own and manage properties all over Lagos and its outskirts. The property business was inherited from the founder's mother.	20 years previous work experience: Technical know-how -book keeping -management of human resources.	NA	NA	-the business belongs to the family so it is easy for family members to put their best into it -the fact that all efforts put into the business by family members are fully compensated for -it is easier to provide employment for other family members -sharing of ideas amongst members of the family	-group effort is more common among employees of FBs -planning in FBs is based on a long-term bases	-discipline -separating family issues from business issues	-conflict among family members -too much autonomy in the hands of the founder -favouritism (preferring one child above the other by the founder)
28-04-2012 MALE EDO (Minority)	Founder	This is an accounting firm located in a busy but highbrow area of Lagos State. The business environment is serene; their waiting room is very comfortable.	The founder is a chartered accountant. His wife is an event co-ordinator and planner. His firm is doing fairly well. Like most professionals, his plan is to encourage one of his three children to study accounting.	He is quite hopeful that this accounting firm would outlive him. His wife, who is a solicitor, she helps out with all legal matters associated with this business.	10 years previous work experience: -managerial -accounting	NA	NA	-sense of accomplishment -increases business tenacity -improves business' focus	No response	-focus -promptness -ability to think outside the box	-deciding which member of the family that should effectively take over the reins of the FB irrespective of his or her age and/or position in the family.
28-04-2012	Co-founder	The company is located on a busy	He manages the business with his	The business is a sibling owned company. They	5 years previous	-financial backbone	-most times decisions are	-you are in control of your	-In FBs, the owners run the	-reinvestment of capital and profit	-eating into your fund

MALE IGBO		street. The nature of their job requires a lot of fieldwork (mostly marketing). However, their warehouse and show room are very well done. There were displays of their products all over the waiting room. He is quite comfortable working with his brothers (this observation came from my conversation with him)	brothers. Their shares in the company are equal. They came together the business out of the desire to start a strong business together within the family.	work together amicably. The future of the business according to them is that it would remain in the family. The details of how this would work have not been decided on yet.	experience: -good communication skills -the drive to secure new accounts	-leveraging on the parent company's goodwill	delayed -overriding influence of the parent company	time -you make your own decisions without too much bureaucracy -you can check and control excesses with the FB -it brings family members closer.	business -in FBs, policies are made and followed to the letter	-separating family from the business Proper accounting record and report	-inability to access large funds -growth is not rapid -influence of family members and relations who feel they have a stake in the FB
30-04-2012 MALE IGBO	Founder	The Pharmacy is located in a sub-urban area of Lagos. They produce over the counter dispensable drugs like paracetamol, capol and cough mixtures. They also run a chemist.	The business is owned and managed by the founder and his immediate family. His wife is fully involved in the management of the business. The plan according to him is to grow the business gradually.	The business founder is grooming his children to take over the company. He appears to be very careful and he is building that culture into his children.	5 years previous work experience: Marketing skills	NA	NA	- commitment: family members are committed -stability: the commitment of family members brings stability to the family business	-in FBs , there are constant interferences by the founders and/or owners in the management of the business -in FBs, the owners can occupy both management and executive positions	-solidarity -speed -shared values -shared interest -great team	The family interests might not be in the interest of the business.
30-04-2012 MALE YORUBA	Founder's son	This is a 2 nd generation company. He (1 st son of the founder) is 62 years old. The company deals mainly in the importation and sale of building materials; they are also involved in property management. They occupy an office in the outskirts of Lagos.	He is managing his late father's business with the support of his brothers. He is the eldest son so most of the important business decisions are taken by him.	He is very knowledgeable of the business. He claimed to have worked only for a couple of years after his university education before resigning to join his father in the business in 1981. He seems to have full control and authority over the business. The future of the business is quite clear according to him. It will remain in his family.	4 years previous work experience: -managerial skills -contacts to raise capital from financial institutions -diversification	NA	NA	-ability to project the future of the business -growth -no external influence on the operations of the business -determine who and what works for you -control of the businesses' assets and liabilities	-size -personalities involved in FBs and NFBs differs -vision and management profile -profitability	-family ties -environment and culture -sustainable vision -moderate target -limited market	-poor management -family squabbles (disagreements) -low capital for start-up -poor land holdings
01-05-2012 FEMALE IGBO	Co-founder	This is a home-based business. It is owned and managed by a family of 6. She, her husband	She is a trained chemist. She teaches chemistry at a secondary school. She started this soap	This business has been in existence for the past 3 years. I met with her Husband and had a very interesting discussion	10 years previous work experience: -teaching	NA	NA	-FBs are more reliable "nobody sacks you in your own business"	Increased self effort is highly needed in FBs than in NFBs	-funds: when there is enough fund to run the business -heavy	-marketing of the company products -lack of money for

		and their four children. They are assisted by three extended family members. Both husband and wife keep 2 nd jobs.	making business out of passion for her line of career and also the need for a 2 nd income for the family. Gradually they have spent the last 3 years growing the business. They have employed 3 non-family members to work on soap mixing, sale and marketing.	with him. The whole family is fully bought into the business and plan is that irrespective of the career paths of the children, they would keep the liquid soap making business within the family. They have also recently expanded their product lines to include disinfectants and stain removal.	chemistry in the secondary school -interest in experimental research -worked in the chemical industry.			-any self-effort put into the business that materialises is at the benefit of the family -you enjoy great freedom		dependence: when there is no heavy dependence on the business -space for expansion of the business will enhance growth -high demand of the product will lead to high profit and hence rapid growth of the family business	expansion -heavy dependence of the family members on the profit of the business
02-05-2012 MALE YORUBA	Founder's son	This is a mid-sized plastic manufacturing company. It is situated in a busy industrial estate in Lagos. The compound is big with a factory behind the administrative office. They have a reception and the serenity of the company's premises indicates that the owners have a clear vision for the business.	The founder's son is a man who is fully committed to his parent's business. He and his twin have shared responsibilities in managing the business. Both of their parents are still very much active in the board capacity, overseeing major business decisions. They sell their products to wholesalers and middle men both in and outside Lagos. Kenny and his brother have brought in some innovation into their parent's business however, their parents put up resistance to drastic changes.	He made interesting comments about his parent's business. He is a trained pharmacist. He has an IT consultancy business which he manages besides his parent's business. He is committed to the family business due to the strong loyalty he has to his parents and family members. The drive to see the business remain a going concern is also responsible for setting aside time to manage certain areas of the business.	6 years previous work experience gathered in Nigeria and England: -personnel management -organisational skills -production techniques	NA	NA	-fierce commitment to the business success and growth -flexibility and spontaneous reaction to the business environment -quick decision making process; no bureaucracy	-FBs are more dynamic and embrace change faster -FBs structure encourages more interaction with employees	-establishing procedures and due processes -keeping out personal issues -empowering non-family employees -have a succession plan (long term plan) -clearly defined business ethics from the onset	-positions maybe given not based on merit -emotion at play in business decision making -limitations in size-expansion opportunities -family issues may spill over to the boardroom
02-05-2012 MALE IGBO	Founder	This supermarket is a major store in its locality. I visited there thrice and I must say that it is very busy. There were regular streams of customers flowing in and out throughout my 3hour visit on one	The business was started based on the inspiration and training received from his elder brother. Ebili store was founded by his elder brother but it's managed by the couple. Their oldest son and daughter are very active in the business. Despite their	This is a typical Igbo family business. It's a close-knitted family business that has the full involvement of the immediate family of the founder and as well as his extended family.	6 years of apprenticeship: -managerial skills -accounting skills -public relations skills	NA	NA	The ability to bring in new business ideas and see them grow	FBs are controlled by family members only	-making important business decisions -maintaining family values and business values -ensuring that financial discipline is maintained	- Mismanagement of funds -the struggle for management position could lead to problems in a FB

		of the occasions I visited the store. The supermarket is well stocked as well. The founders have a lot of help from both their family and non-family employees.	attending prestigious schools, the oldest son must come in weekly to learn about his parent's business and also supervise the cash tills.								
03-05-2012 MALE HAUS A	Founder's brother	This Bureau De Change is a foreign currency trading company with branches in different parts of Lagos. I visited two of their branches before meeting with the operations manager in one of their branches. Their office environment was set up like a real banking hall. They have a proper structure in place.	The founder's brother is the man on ground. He takes major business decisions about the business in consultation with his elder brother. All the employees report to him. The founder is building this business for the future of his immediate family. His brother would always have a stake in the business	The company is well structured. The fact that the founder's brother, is educated has helped in the management of this business in a professional manner. When asked if he would ever work anywhere else after completing his university education, his answer was a resounding NO. He has a stake in his brother's business and has every intention of helping him grow it further. This is not just for him but his future.	No previous work experience. On the job training: -managerial skills -entrepreneurial skills	NA	NA	-the opportunity to explore ideas on my own without the fear of restriction since the company is family owned -the opportunity to try out things again even after failing several times -you get the opportunity to keep all your profits	There is no formal structure in FB	-have a formal structure in place based on merit -only qualified personnel should occupy key positions -business decisions should be taken on merit and not family factors	-nepotism (employing on sentiments) -conflict of discipline
03-05-2012 MALE IGBO	Founder	The founder is a very young-man. The company produces packaging materials for a variety of products. It is situated in a very busy open market in Lagos	He started the business with his ex-fiancée. They had both invested equal amounts of money into the business. However, the lady dumped him for some reasons not disclosed and relocated to a foreign country. At the moment, Sam manages the business with the help of non-family employees however; the plan is to grow the business until it outlives him in future.	He is very passionate about this company. He commits the whole of his time, resources and energy into growing it. It is practical his life. I assume this was why he is working towards the business outliving him despite not being married yet.	No previous work experience	NA	NA	No response	No response	No response	No response
04-05-2012 MALE YORUBA	Founder's son	This is a very big organisation. It's been in existence since 1981 (3 years ago). Therefore, the company has in	The founder's son has been working with his father and for the family business for over 42 years. His other brothers handle	He is 43 years old. He has worked in the family business for approximately 13 years. Oasis is a typical standard family business	5 years previous work experience: -financial management	NA	NA	-can plan long-term without the pressure of short-term profit -it is easier to	No response	No response	No response

		place proper structures. The company is situated in a very busy industrial area in Lagos.	some other aspects of their father's numerous businesses. He values and respect his father's business acumen and investments. He is very passionate in growing the family business better so that it can go on and remain in the family.	that has experienced steady growth over the years.	-strategic thinking -personal skills			do corporate social responsibility 'CSR' in a family business			
04-05-2012 MALE HAUS A	Founder	The company is located in the premises of a very busy 5-star hotel in a commercial area of Lagos state. They occupy a small office, however, the place was buzzing with plenty of business activities when I visited	The founder is not a very open man about his business however; he manages the business with his blood sibling. His children are still very young but he has the intention of bringing them into the business at the right time. His plans are for his children to get properly educated and exposed to the business terrain in Nigeria before taking over the affairs of this family business	The company is very well known and patronised in this area.	5 years previous work experience: -foreign exchange market trading -marketing -book keeping	NA	NA	-family bond and unity is promoted and maintained -employment is readily provided for family members -the business can be managed on trust by other family members without the fear of fraud taking place	No response	-loyalty to the family and business must be maintained -discipline must be maintained -order in operations must be maintained	-family conflict (especially among siblings) -disloyalty -nepotism (sentiments in employment of staff) -indiscipline
04-05-2012 MALE HAUSA	Founder's Sibling/ General Manager.	This bureau-de change business is located on the premises of a very busy 5-star hotel. The respondent, he is a vibrant young man who was all over the place during the interview. They have a large office space. The front office was designed like a real banking hall with cashiers working in cubicles to attend to prospective customers.	The respondent displayed a very deep loyalty for his brother and the family business. They work together amicably. His brother leaves him in charge of the business most times.	During our interview, the founder's son currently schooling at a top rate university in Lagos walked in. The plan was for the founder's son to come in during holidays and weekends to learn the rudiments of the trade. He is studying business administration in College. I think the succession plan of this company has been clearly mapped out. In addition to this, the respondent must have been given enough shares in the business to buy his total commitment and	No previous work experience	-links are provided by the parent company -access to finance -access to parent company's funds	None	-access to family funds to assist the business when the need arises -presence of team work and trust	No response	-diversification -attracting non-family investors if and/when the need arises.	Disagreements /arguments over taking on new businesses and also on business policies.

05-05-2012	Founder's daughter-in-law and company's manager	This is a mid-size printing company. It is the busiest printing company interviewed so far. It is located in a very busy industrial estate in Lagos. She works closely with her husband in managing the business passed on to them by her parents-in-law.	She is very much active in this company. She oversees major administrative work. Her husband works closely with the technical crew. They undertake the printing of sensitive documents for the government. This is done on a huge scale. Her parents-in-law seems to have a very strong hold on both the couple's operations within the company and also on their children. This is a business that will and must remain within the family. The intention is to pass it on to subsequent generations.	loyalty. I observed that their parents have inputs even on the schools that their grand-children attend. This is also to maintain the usual family tradition. The same influence also reflected on how the business was being managed by the couple.	9 years previous work experience: -customer care/management -relationship building -marketing -marketing -book keeping	NA	NA	-decision making is easier and there is less bureaucracy -profit sharing is more favourable to qualifiers -the risk of sabotage is less	-family ownership structure -profit in FBs can be big however, loss can be bigger -in FBs, the public cannot interfere in the affairs of the business without prior approval	-unity within the family -beneficial decision making -working towards a common goal Proper management policies	-competition within the family -incentives are shared equally even for those that do not qualify -some managers may leverage on the skills of others even they do nothing
07-05-2012	Founder	The administrative office is situated in a quiet estate in Lagos. The factory is located in a busy industrial estate in Lagos. The company structures are well laid out.	He has over 18 years of varied work experience before deciding to build this family centred business empire. He is married to an equally versatile wife, who despite being a medical practitioner, lecturer and consultant works with him in her spare time to build up the foam manufacturing business. The business though relatively new is growing gradually. They have three very young children but their dad takes his eldest child, a boy to visit the factory from time to time.	I had a very long conversation with the founder. He has a wide range of experience. He worked in the Oil & Gas industry; Financial Institutions; worked as the Managing Director of one of the oldest and largest producers of foam, mattresses, bunk beds and other bedding materials in Nigeria before resigning to set up his foam manufacturing business. He is not just an entrepreneur but a man with a strong vision. He is building a family-centred business empire.	18 years previous work experience: -industry knowledge -sales and marketing skills -team building	NA	NA	-total control -quicker decision making -secured future -personal fulfilment	-most family businesses are sole proprietorship -NFBs have multiple investors -NFBs have more conflicts -NFBs survive longer	-team work -delegation of responsibilities -clear vision, goals and strategy -financial discipline -staff empowerment	-too much dependent on the founder -lack of finance -inadequacy of relevant skills -lack of succession planning
07-05-2012	Founder's spouse/	This is an outsourcing	She is a very vibrant and forthcoming	This is well run and managed. The fact that	5 years previous	NA	NA	-the ownership concept or	-FBs are smaller in size	-reduced conflicts	-it can encourage a

FEMALE EDO (MINORITY)	Deputy Managing Director	company. They have been in this line of business for almost 20 years. They import on behalf of major multinationals in Nigeria. Their administrative office is located at a busy industrial area in Lagos.	woman. She was very open about their business and its' operations. She and her husband have worked together as a couple right from the beginning of the business. They have a good working relationship. They also share a common goal and vision for the organisation. They have older children colleges abroad and their plan is to train them to take over this huge business from them.	both couples were trained abroad (schooling and professionally) have helped them set up a sustainable business that might outlive them.	experience: -due diligence -transparency - team spirit			factor -family members and non-family employees behave as stewards of the business -hiring of family members means bringing in people who are more committed to the success of the business -having shared values and long term stability	-In FBs there are scale or expertise within functions -in FBs there are common standards and sometimes undifferentiated market -in FBs there is longer product development and life cycle	-ownership motivational spirit -commitment at all levels of operations -strong ethical values -eliminating to the barest minimum all forms of sentiments	breeding ground for family problems -there is less reservation above letting feelings out among family -inability to separate family from work -tendencies of relatives abusing family ties.
08-05-2012 MALE YORUBA	Founder	This is a major ice-cream powder supplier to the Nigerian market. They have a big warehouse and administrative office in a big industrial estate in the centre of Lagos. Their office environment is well laid out. The building is huge and I observed that from the receptionist in the waiting room, to other members of staff I interacted with, the staffs of the Company who are both friendly and approachable.	The founder is a very pleasant man. He was very open about his business. His wife, works with him as the deputy managing director 'DMD'. They started the business from their home before moving to their current office/warehouse. The company is a household name among the major eateries and ice-cream manufacturers in Nigeria. The MD is up a structure that would be sustainable by his children even when he is no longer active in the business.	This very wonderful couple have three children, all boys. The eldest is in high He is being introduced to the family business gradually. The company has proper structures and hierarchy. I am personally impressed with what I saw on their premises. The Company has a branch in Ghana, a neighbouring West-African country.	5 years previous work experience: -managing and opening of letters of credit -applying for credit from financial institutions -managing customers	NA	NA	It helps keep the business within the family	No response	Transparency	-family members believing that it is automatic that the business belongs to them. -the need not to work to earn whatever position
08-05-2012 FEMALE YORUBA	Founder's wife and deputy managing director	The company works from a very huge production site. They cut, produce and sell plantain chips. This they do on a very large scale.	The couple is very active in this mid-size business. They both oversee the day-to-day management of the business. The husband monitors the production and distribution of their products while she	This family-centred business gradually growing into a huge business. They produce and supply ready-to-eat plantain chips to major supermarkets and trading stores in Lagos and its immediate environ. The potential	2 years previous work experience: -raw materials procurement -quality of raw materials -analysis of raw	NA	NA	-business ownership helps one to stay focused -it enhances self development -FBs provide an opportunity to learn leadership and	- board of directors in FBs are mostly limited to family members -FBs are run by few members of the family -External auditors and/or	-simplicity of organisational structure -quick decision making -close supervision of operations -good management	-limited management as a result of limited owners -growth is slow -working capital are limited to the

			oversees the administrative aspects of the business; she also works on sales and reconciliation of their accounts.	for the growth and expansion of this particular business is huge especially when they source for most of their materials locally. Their children are still young but both couples maintained that theirs was a business that will remain in their family.	materials suppliers			management -it also facilitates wealth creation	consultants are absent from FBs -the founders/owners of family businesses are usually the chairman/CEO	-good motivation as a result of profit	resources of owners -the death of the chairman/CEO/founder can end the business.
09-05-2012 FEMALE YORUBA	Founder	This business occupies a state of heart building along a busy but decent high street in Lagos. The interior of the company was professionally done, maybe to reflect the quality and height of their creativity since theirs was a fashion designing cum sales outlet.	She was very open and friendly in introducing this very lucrative business owned by her and her husband. She manages the business wholly. She spoke of building it up to become a major household name in Nigeria, emphasising that this would be done with the help of her husband. She has employed a couple of her extended family members who helps her with the supervisory bit. Her children are fashion conscious and she is hoping to pass on the business to one of them in future.	The company sells African fabrics. They also design these fabrics for fashion loving Nigerians. There are a couple of fashion designers (female) in Nigeria whose daughters (mostly) or sons are following in their footsteps today. These are the thoughts and goals of hers.	1 year previous work experience: -sale of African fabrics -fashion designing -managerial skills	NA	NA	No response	No response	No response	No response
09-05-2012 MALE YORUBA	Founder	The company is situated in an industrial estate along a busy high street in Nigeria. The company is built and arranged up to international standards. They represent major manufacturers of iron and steel rods from all over the world.	He works with his son. Together, they manage this business very lucrative business. They have employed staff into major key positions and they have a sizeable number of technical guys who handles their fieldwork and installations. I chatted with some of their staff as well. I was made to	The founder handles most international deals, negotiations and supplies while, his son deals with the local market. The son oversees the local sale and distribution of their products. He is a graduate with few years of experience before joining the family business fully. I think they both have a mutual trust for each other.	23 years of previous work experience: -managerial skills -technical know-how -industry knowledge	NA	NA	-ability to influence decision making process -easy access to management and board of directors -on the spot assessment of strengths and weaknesses -you gather a lot of experience on the job	-In FBs, the family are basically the major decision makers -the hierarchy of the structure in FBs is centred around family members -Non-family members hardly make managerial decisions	-understanding -honesty -perseverance -unity -focus	-disagreement on decisions -longer hours of work -family members are made to carry out major responsibilities within the business owners/founder have limited free time

			understand that the founder had a better personality. I can't make any judgement on this since they both welcomed me into their organisation warmly.								
10-05-2012 MALE YORUBA	Managing Director	This is a 3 rd generation family business. The business was started by his grandmother over 4 decades ago. The company is a household name in Nigeria. His father took over the business from his mum about 20 years ago but had to retire back to the village when he was appointed as a monarch. The company is well structured. It occupies large hectares of land in a major industrial estate in Lagos, Nigeria.	The discussion with the Prince (MD of the company) was very short but informative. All his brothers were given very little options but to join the family business irrespective of their professional course of study at the college. He is a medical practitioner who oversees two companies owned by the family. The two businesses belonged to both his grandmother and father. His other brothers are acting in different capacities in other companies owned by his father. He mentioned that all the children have substantial shares in all the companies.	This is a long standing family business that has weathered various storms in Nigeria. It is being managed by the grandson of the founder. He is in his forties and could be presented as a highly intelligent young man.	5 years previous work experience: -managerial skills -people's skills -Industry knowledge	NA	NA	-FBs provide ready employment for qualified relatives -A FB is a good place to learn it all	-FBs does not have a functional board of director -in FBs, the salary structure is discriminative in favour of family employees above non-family employees irrespective of their years of service	-personal contact -leveraging on the family name -close supervision -more than casual interest in the growth of the business -financial discipline of the owners	-continuity -large family can create serious problems -incongruent goals by family members
11-05-2012 Male Igbo	Founder	The business is into contracting, engineering works and telecommunications. The company is located in a quiet area of Lagos. The reception area was well decorated and there were evidences of previous jobs executed by the company.	This company was founded by him and his wife. The husband manages the engineering part of the business while the wife oversees the telecommunication aspect. The business according to them is doing very well. They are both fully involved in all activities of the company. They also share a common goal of training their	This is another typical Igbo family business. He seems to value his wife's input into their business. He is quite open-minded in his approach to answering the questions in my research instrument. He is hoping that this business would outlive him, hence proper structures are been put in place gradually.	5 years previous work experience: -technical know-how -administrative skills	NA	NA	It provides room for more decision making	-there is more room for individual participation in FBs -in FBs, there is group source of financing	-reliability -quality control -expertise -financial assistance -mobility	-the sharing of resources - mismanagement -internal misunderstanding -instability

			children to take over the family business.								
15-05-2012 MALE IGBO	Founder	This is a mid-size dry-cleaning business situated near a busy open market and residential area of Lagos. The owners are well educated, this reflected conspicuously in the set-up of the company and its offices.	He manages this business with his wife. They are well known within their community. They describe their dry-cleaning business as one in which their children could manage even when they pursue their different career paths.	This family owned dry-cleaning business is experiencing gradual growth. The owners exhibited a cordial relationship between themselves. The business intends to keep ownership and management within the family.	5 years previous work experience: -managerial skill	NA	NA	-available financial assistance from family members -group decision making -easier market penetration	No response	-production management -planning -organisation -actualisation of goals -control	- Mismatch management -recruiting capable hands -profit sharing -inability to manage company's expenditure.
15-05-2012 MALE IGBO	Founder	This is a telecommunication company. They also solicit and execute government contracts. They occupy an averagely large office space on a busy high street in Lagos.	This company was founded by him with the help of his wife slightly above 3 decades ago. They install telephone wires for telephone operators. The capped chief was not very open with other details about his company but answered most of the questions in my questionnaire	The company is operated professionally.	6 years previous work experience: -administrative skills -managerial skills	NA	NA	-family ownership promotes dedication to work -it encourages group commitment -it promotes team spirit -loyalty	-in FBs, total control lie with the head of the family -FB and NFB differs in their organisation -In NFBs, actualisation of projects are slower due to a bureaucratic decision making process	-employment of capable hands -obtaining technical assistance whenever needed -prompt financial assistance	-high job turnover -low creativity -bad financial accounting
16-05-2012 MALE HAUS A	Founder	This is a small business owned by the respondent but jointly managed by himself and his brothers. It is an open stall in a residential estate. They sell a variety of consumable goods.	Language was a slight barrier; however, the respondent speaks little 'pidgin' English. The brothers work closely together to buy and sell fast moving consumable goods to people in a big residential estate	Business is typical of the ones operated by northerners on the south. The brothers share the same purse and do most things together.	No previous work experience	NA	NA	NO RESPONSE	NO RESPONSE	NO RESPONSE	NO RESPONSE
17-05-2012 MALE IGBO	Founder	The founder is a top notch He founded this small manufacturing company with the assistance of his wife in 1987. The company has a farm and they also manufacture some personal care products (cream,	He is very reserved, most information obtained about this business were gotten from his wife and daughter. This is despite the fact that he started this company straight after his college education. His wife is very active in this business.	The company manufacture and distributes daily used personal care products. The wife was more outspoken, she discussed the details of the company's operations with so much zeal and passion. However, you can still observe that she	No previous work experience.	NA	NA	-FBs create wealth for both the immediate and extended family members -it also encourages the creation of brand loyalty products that promotes	No response	-maintenance of family and business culture -income savings -investment on research and development -market survey -wealth creation	No response

		soap and shampoo).	Their children visit the factory on weekends. As young as they were, they could tell you all the products manufactured in their parent's factory.	respects her husband's business opinions and policies above hers.				continuity			
18-05-2012 MALE IGBO	Founder	The company is located in an open market. It is a small store with enough space to take in 20 customers at once.	He manages this business with the help of his cousins from his village. His wife's involvement is limited to the administrative work and book keeping. He is a young man who is working towards growing his electronics business beyond a one-man capacity. He is looking forward to the involvement of his children	The store was very busy throughout the interview. The respondent's brothers seem to handle the business as if it belonged to them. They communicated with their eyes a lot.	10 years previous work experience: -maintaining customers -ability to conduct ones' business properly -learning the ropes of electronic business	NA	NA	-it breeds loyalty -it encourages trust -it builds the confidence of family employees	-decision making is faster in a FB	-maintain discipline always (financial; employee)	Conflict
19-05-2012 MALE IGBO	Founder	He manufactures and sells footwear with the help of his wife and 2 cousins in the busy Balogun market on Lagos Island. They have 7 non-family employees. Their factory however was situated at some other reserve location	This is a small family trading business. They occupy a very small store but the volume of transaction that went on during the interview was huge. He involved his wife at an early stage of the business. Like most business men from the East, the plan is to open a more sophisticated outlet that their children can manage in addition to the branches within the market when they retire.	A close-knitted family. The emphasis on trust and loyalty was stressed throughout the interview.	10 years previous work experience: -management of customers -predicting and meeting customer's needs -ability to nurture a small business	NA	NA	-the presence of family bond -you enjoy loyalty from your family members	-salary structure	-maintain family values -maintain trust and loyalty -financial prudence	-lack of discipline
19-05-2012 MALE IGBO	Founder	This is a limited liability company is relatively new. However, this couple is involved in the importation and sale of textile and clothing in a busy open market	He was very open while discussing his family centred business. He is a university graduate and he values education greatly. His children attend good schools but he is	The man works closely with his wife, brother and cousin to manage this clothing. He does a lot of the international negotiation and deals while his wife manages their local business. The	6 years previous work experience: -the use of computer software for stock taking -book keeping	NA	NA	-reduction in overhead cost -FBs promote better communication among family employees.	-recruitment of staff	-financial discipline	-disagreements and personal friction carried over into the business

		on Lagos Island.	looking forward to passing on the business to them after doing his own part.	differentiation of roles was very obvious during the interview.	-negotiating skills						
20-05-2012 MALE IGBO	Founder	This company is located on a busy high street on Lagos Island. They import and sell mobile phones and its' accessories in large quantities	He spoke with a lot of pride that his business is family centred. His wife's administrative skills have improved greatly in the last 5 years. Their eldest child comes into the main store on weekends to assist with book keeping and stock taking	The Company is a typical small business, however, it can be said that it is founder and management of the company are very disciplined	No previous work experience	NA	NA	-understanding of other family members is encouraged in FB -new skills are discovered and harnessed in a FB -employment is provided easily for qualified family members	-decisions are taken faster in a FB	Financial discipline should be displayed by the founder so that other family member can follow suit.	-envy and jealousy could lead to conflict.
21-05-2012 MALE IGBO	Founder	He founded this new clothing and textile business with his wife. Their mid-size store is located in the heart of Lagos Island. The store can hold up to 15 customers at once. Though not fanciful in appearance, it is well stocked with goods.	The interview with him revealed that his wife encouraged him to start the business. This was borne out of the need to create a family wealth and also build a sustainable business for themselves and their children.	The business is small; however, both couples demonstrated a strong vision towards the growth of their business.	10 years previous work experience: -entrepreneurial skills -setting and accomplishing goals	NA	NA	NO RESPONSE	NO RESPONSE	NO RESPONSE	NO RESPONSE
22-05-2012 MALE IGBO	Founder	This business was founded by a 35 year old man. His wife works with him fully in the business. They operate from a mid-size store space at Balogun market on Lagos Island.	The passion for fashion prompted the establishment of this clothing business. His wife is in charge of monitoring their letters of credit and purchase of all travellers' cheques for their importations. She also handles sales and marketing of their goods. He co-ordinates all their international transactions. He liaises with all their foreign suppliers and ensures that their goods are shipped and delivered on time.	I observed a very cordial relationship between husband and wife. I was made to understand that they also seek the opinion of their teenage son. His contribution is valuable to them.	7 years previous work experience: -managerial skill -ability to initiate and close a deal -unique prospecting.	NA	NA	-collective efforts from members of the family -it becomes more advantageous when we have the same values -the goals and objectives of FB are more precise -the success of FBs always remain intact	NO RESPONSE	-transparency in management -honesty -hard work -commitment to duties -collective ideas	-allocation of dividends of publicly recognising individual efforts -not approving vacation or leave as at when due -not maintaining equal rights regardless of position

23-05-2012 MALE EDO (MINORITY)	Founder	This is a mid-size publishing company. They write and published some key pre-school books. These books are widely used and accepted in Nigerian schools. The CEO is very difficult to track down. I had to corner him for this interview at his company's stand at a major international book fair that took place in Lagos from the 21 st to the 26 th of	He runs this highly successful business with his wife, three children, five relatives and 49 employees. He is very proud of the family's achievements despite having a very humble beginning. Their books are all over major schools in Nigeria. He has been able to build a sustainable for his entire family.	The publishing company is a household name in the South-Western and South-Eastern parts of Nigeria. The cordial interaction between the owner family and their employees cannot be ignored.	18 years previous work experience: -public relations -marketing skills -ability to enforce quality control	NA	NA	-it enables the FB raise more capital/funding for its operations -every family member becomes a joint owner -ones' family's needs are adequately cared for	-diligence is strictly maintained in the operations of NFBs -NFBs are of entity concept NFBs are fully backed by law since most of them are registered	-obtaining interest free capital for its business operations -taking more calculated risk -encouraging more collaborations especially with qualified non-family members	-non-agreement on core issues can lead to closure -fear of risk-taking can limit profitability of FBs -profit sharing.
24-05-2012 MALE IGBO	Founder	This is a mid-size construction/contracting company located in a highbrow area of Lagos (Lagos Island). The company has been in existence for over 2 decades. There is a proper structure in place. I was taken round, all departments were well segmented with their functions clearly stated	He is a very formal man. He is also a trained engineer. His first son graduated from Oxford University in 2011 with double honours in engineering. The plan is for him to gather some external experience in multinational firms before joining the family business. He also provides employment for qualified extended family members from time to time	This company is a well-structured and managed family business. It is one of the very few family businesses that has clear goals and a founder who leads by example. I had a very interesting visit to this particular company.	5 years previous work experience: -technical know-how -industry skills -sourcing for new businesses	N/A	N/A	-FBs are more profitable than NFB if properly managed -there is every possibility of continuity in FBs -You find more commitment and loyalty from employees of FBs than NFBs	-NFBs are more structured than FBs -there is less bureaucracy in FBs than NFBs -the focus of FBs is on long term growth	-separating business goals from personal/family goals -financial discipline -time and business discipline -tenacity and total commitment to the family business	-lack of defined vision for the business -inadequate structure -lack of commitment to the goals of the FB
24-05-2012 MALE HAUSA	Co-Founder	The co-founder is a wealthy food produce trader in a large market in Lagos. The market is located in a commercial area in Lagos. It is the busiest food produce market in Lagos State	Most of the food produce traders do not own farms but He has both. He has stalls all over the market and he runs the business with his two younger brothers. The respondent is a strong believer in having your family involved in your business. This is	This is a very busy food Commodity trader. The owner works with his brothers. They were busy throughout the duration of the data collection.	5 years previous work experience: -farming skills -knowledge of appropriate crops to sell at different seasons Selling farm produce	N/A	N/A	-Opportunity to take all my decisions together with minimal interference -families help and remain committed to the FB -FB provides easier employment for	-decision making is faster in FBs than NFBs thus making it easier to manage a FB	-accountability -sense responsibility -discipline -readiness to work hard	-spending business funds without proper accounting

			due to the level of trust that runs among family members					both family and non-family			
25-05-2012 FEMALE DELTA (MINORITY)	Founder	This is a consulting firm located in a quiet residential area of Lagos. The founder is an ex-banker. She works with her husband in carrying out training programmes in different organisations. My first impression of the place – small office space, well-staffed and decorated.	My discussion with her revealed that the company is involved with a sizeable number of clients. Her husband is involved with her training programmes. She sees the business as home and family based. She is working towards increasing the company's clientele which would enable her grow the business into a significant one that can be left to her only child.	Final Observation- small business but well-staffed. They have an additional 3 facilitators that work with them on a part-time/casual basis.	10 previous work experience teaching and training part-time in the banking industry: communication skills -managerial skills -people's skills	N/A	N/A	-Strong commitment to the business -FBs are more long-term in nature than NFBs	-Decision making is faster in FBs -FBs have a more informal approach to business	-total loyalty to the business -putting a proper reporting structure in place	-profit sharing formula -succession (I am hoping to leave to my daughter, I pray she accepts).
25-05-2012 FEMALE DELTA (MINORITY)	Founder	First Impression: Very lovely lady (This is the founder). She works with mostly highly skilled well trained tailors from neighbouring countries	My discussion with the founder revealed a home-based family business. She gets a lot of support with business solicitations by her husband and her twin sister. Her teenage children work part-time there when on school holiday.	Final Impression: - It is a thriving business with a huge clientele. Not very structured like most small family businesses I have interviewed during this research but well managed. She according to my observation brings in administrative, detailed design into the business.	5 years previous work experience: -administrative skills -accounting skills -people's skills	N/A	N/A	-The opportunity to explore your talents without restriction is more common in FBs than in NFBs -the opportunity to provide employment for immediate and extended family members	-NFBs are more structured -decision making time in NFBs takes a longer time	-total dedication to the business -maintain regular working hours -maintain a high level of discipline -create a good and sustainable customer service culture	-succession plans-lack of continuity when your children refuses to follow your line of business
28-05-2012 MALE DELTA (MINORITY)	Founder	First Impression: very busy, tasking and heavy duty family business. The respondent works with his brothers in this very demanding business.	My discussion with him revealed that the business is solely family based. It is a metal scrapping business. They sell these scrapped metals mostly to the foreign market. His brothers and 2 relatives work with him in the business mainly to oversee their daily operations.	Final Impression: he appeared to be knowledgeable about the business. His plan is for the business to outlive him with his sons taking it over. During our discussion, he revealed that the business is very profitable and that it has grown from just having family members as employees to providing employment for 36 non-family members	6 years previous work experience: -business skills -ability to take appropriate & timely business decisions	N/A	N/A	-This FB has fostered unity among my family members -my family have been well provided for by the FB -FB encourages growth of talent among my family members	-The structure of FBs is very distinct from that of NFBs - and decision making are more defined in NFBs than in FBs	-Financial discipline -setting up a proper structure must be priority in a FB -decision making must not be sentimental	-lack of vision and focus -undefined goals
28-05-2012	Founder	First Impression- this is an	My discussion with him revealed the	My final impression: this is a typical family	1 year previous work	N/A	N/A	-the ownership of the business	A FB is wholly owned and	-you must be discipline	-conflict among family

MALE HAUSA		unstructured bureau-de-change. They call them local forex dealers. All members of the family work from a small office.	following: though he is un-educated in a formal school. He has a broad knowledge of the business. He was trained for a year before setting up the business. Because the business is very lucrative, he is training his sons and brothers so that they can take over the business from him in future.	involved business. Despite the lack of formal education, the controllers and managers of this business are well knowledgeable about it. Most decisions and high profile clients are handled by family members only.	experience: -knowledge of the foreign exchange market -how to source for new customers			by my family is an advantage -it gives me a full sense of belonging -all the profits and income stays within the family -the opportunity to employ family and non-family members	controlled by a family	-you have to be prudent -loyalty from family members must be complete -commitment	members -profit sharing formula -succession plan
29-05-2012 MALE HAUSA	Founder	First Impression: he has four stalls managed by his brothers in a residential estate in a highbrow area of Lagos. They are well focused business minded people.	My conversation with him revealed a young man who is highly focused. He knows what he wants to do and he pursues it. He is currently training his brothers in selling daily consumables at a small margin within residential areas.	The business is small but with branches already. They occupy small spaces but they have enough employees whose main job is to prevent shop-lifting.	5 years' work experience: -buying the right products for a small stall]- accountability -people's skills	N/A	N/A	NO RESPONSE	NO RESPONSE	NO RESPONSE	NO RESPONSE
29-05-2012 MALE YORUBA	Co-Founder	This company is into the production of cosmetics, body cream and toilet soap (different fragrances). First Impression: small factory space; quiet location; understaffed	This company is managed by the respondent and his wife. His two brothers are also involved in running the business	This is another typical family-centred business manufacturing and supplying basic personal care products to some markets in Lagos State.	8 years previous work experience before leaving to set up this business approximately 6 months ago: -project management skill -on the job skill/experience	N/A	N/A	FBs gives peace of mind	FBs does not have a special structure other than family hierarchy	-FBs has family secret of production -the trade secrets and formula of FBs cannot be easily pirated.	-financial constraints in terms of expansion or divorce in marriage can lead to death of the business
30-05-2012 MALE IGBO	Founder	The company is into the production of body creams and toilet soaps. First Impression: good location; well structured; well equipped.	This company is managed by the respondent and his wife. They are supported by two relatives, one supervises the production line while the other one goes with the sales people into different markets to sell their products.	This is a typical family centred business.	5 years previous work experience: -marketing -creativity -relationship management	N/A	N/A	-it gives avenue for creativity -it brings out the managing spirit in you -it brings out the best of relationships -it brings financial support from family members	-decision making structure is more formal in NFBs -management structure is different -NFBs enjoy more relationships with international organisations	-availability of financial support from the family -employing people in the family who accepts lower incentives and salaries in comparison to NFBs -working hand-in-hand with other	-terms of reference for employees are not stated clearly -employees are not usually fixed in their areas of specialisation -inability to access finance from banks -careless time

										organisations managed by families and friends -motivating factors are more in FBs	Management skills. -challenges from family members who are not part of the family business.
30-05-2012 MALE YORUBA	Founder	This located is located in a small industrial area of Lagos. They are into the production of ladies cosmetics, body crème bath, toilet soaps and hand cream. First Impression: good location; small factory space; small business; very busy.	This is a family business managed by him and his wife. They produce a variety of products. His brother work as a part-time supervisor in the business.	Another growing business. The owners are well educated. Their level of education and exposure was evident in the structure of the company and its management style.	4 years previous work experience: -customer relationship management -training of staff -customer data management.	N/A	N/A	-more money will be provided for the family's use -the will to make sure that the workers are hardworking -family members will be employed by the business	No response	-good market strategy -must be near the market -constant electricity -availability of raw materials	-death of the owner can lead to the end of the business -not increasing workers' salaries as at when due -not promoting employees as at when due -lack of huge capital from banks
31-05-2012 MALE YORUBA	Co-Founder	This is a multiple-stream income business managed by a couple. First Impression: good location; maximised office space; small staff strength	A typical husband and wife's business. The husband handles the consulting and printing aspects of the business while the wife supervises the food processing side of the business.	The couple seems to work very well together. They spoke highly of each other (although the main respondent was the husband. The wife also join in soliciting for consulting jobs and would also support the execution of such projects.	10 years previous work experience: -management skill -communication skill -negotiating skill	N/A	N/A	No response	No response	No response	No response
31-05-2012 MALE IGBO	Founder	This business is located inside a very busy market in Lagos. First Impression: Good location; spacious store; well stocked; well staffed.	The business is fairly big. They have about 5 stores joined together. One section sells imported aluminium windows, doors and other similar fittings while the other section deal in personal care products from major manufacturers.	He manages the business with his wife and their two children who works part-time in it.	5 years previous work experience: -sales and marketing skills -product development -personnel management	N/A	N/A	-on the long run FBs are more rewarding -the business can be transferred to the next generation -easier exploitation of emerging opportunities in a developing economy -guarantees that you maintain your lifestyle	-corporate governance issues in FBs -career path not clearly defined in FBs -business continuity could be a risk in the event of founder's death in FBs -decision making revolves around one man in most FBs	-deep passion for the business -prudence -financial discipline -organisational structure -vision and communication of vision	-financial impropriety and diversion of funds -family interference in business operations -continuity in the event of death of promoter -lack of business vision and communication of the vision

31-05-2012 MALE EDO STATE (MINORITY)	Founder	Unlike the sound of the name, this business currently sells fish and poultry on a large commercial scale. First Impression: good location; large space; good customer /sales team	This is a very busy business managed by him and his wife. They have a good employee base which includes both family and non-family members.	Good business; huge family support. The couple seems to have a good working relationship with their employees. The company was very busy when I visited which may reflect on their profitability.	No previous work experience	-spill over of resources -shared consultancy -group profit/loss shared.	-delayed decision making -shared proceeds/profit -overlapping interest	-synergy -group strategy employed	Not exposed to a non-family business	-strong loyalty -trust -financial control -strategic goals and planning	-sentiments -delayed decision making
01-06-2012 MALE IGBO	Co-Founder	This is a highly professional establishment. They are into soliciting for and executing contracts from both private and public sectors. Fist Impression: Good location in a highbrow area of Lagos State; Good reception area; Office has a nice aesthetic appeal.	The couple that manages this business exhibited this aura of importance. I spoke with the husband who was quite receptive even though he runs a very tight schedule.	The business seems to be quite successfully managed by this very important couple. They have a mutual understanding about the vision and goals for their company. They also appear to be running with these goals very well.	10 years previous work experience: -managing a start-up business -marketing of services -financial management	N/A	N/A	-vision is unified -cash-flow is better managed -marketing expectations are more realistic and realisable.	The organisational structure in a family business is vertical	-delegation of duties -achieving set target	-burring of work hours -non-business parameters influencing business decisions
01-06-2012 MALE EDO STATE (MINORITY)	Founder	This is a brand new company engaging in industrial and domestic cleaning services. The company was founded by the respondent but he manages it with his wife, and younger brother. First Impression: good office space; good location; friendly staff	I was directed to the MDs office by the friendly receptionist. The first question, he asked was my opinion of the ambience of the company. He encourages staff training cutting across board (starting from himself, wife and brother).	The man is the ultimate decision maker within this business. However, he encourages his wife to act autonomously without checking with him. Overall impression: most business decisions revolves around the founder	10 years previous work experience: -strategic planning and positioning of business -business values and ethics -brand approach to business decisions	N/A	N/A	-building a sustainable business is encouraged in a family owned and managed business -access to a pool of financial and human resources -emotional support from family members	Decision making process in family businesses is less bureaucratic	-strategic planning -setting realistic goals -financial discipline -having a formal management structure	-sentiments -no clear reporting line -diversion of funds
11-06-2012 MALE IGBO	Founder	He manages this business with his two brothers. They are into consulting; book publishing and they have a large store where different canned and bottled food items	The company was founded originally by him but he invited his two brothers to join in for a better managerial structure. According to him they all have their job functions and respect each other's	The food and beverage aspect of the business appears to be well established. However, they seem to be working on establishing themselves in the book publishing aspect.	14 years previous work experience in a similar terrain: -financial knowledge (B.Sc. Accountancy)	N/A	N/A	-relationships and support from family members are considered in decision making, rather than purely business and	Control is not a major issue in a family business since trust is easily established.	-harmony among family members -support for each other -flexibility and understanding	-loose management -non-adherence to instruction -difficulty in accessing funds as investors are

		and beverages are sold. First Impression: good location (not many large stores like theirs in this very congested residential area); close to the high street; their publishing outfit was well equipped.	opinion.	He is especially knowledgeable about family businesses because he has worked previously as the Managing Director of one for approximately 14 years.	-computer competency (strong in excel application) -writing skills			numbers -trust is easily established			less motivated to invest in family businesses.
11-06-2012 MALE IGBO	Founder	This company sells chemicals used for production of drugs; creams; cosmetics; toiletries and detergents in an open market in Lagos. They also sell finished personal care products from various local and foreign manufacturers. First Impression: good location; large store; well stocked; slightly busy.	The founder works with his wife, two brothers and a sister in this business. He views this business as a family business because that was the concept he had from the onset. A business that can provide employment for his nuclear and extended family. According to him, he derives comfort at every point in time with the knowledge that his blood relatives are overseeing his business while he is away on business trip.	The family appears to be well bonded. Although the wife appears less visible than his brothers.	8 years previous work experience: -pharmaceutical business knowledge -marketing of chemicals -manufacturing	N/A	N/A	-the family business is independent -the family business can make the family great -the family business provides financial security for the family -the family managing the family business can be very successful	-the family's determination to manage the business well -the family will never allow the business to die -the family always ensures the growth of the business -the family always ensure the continuity of the business	-vision -focus -strategy -integrity -hard work	-managerial incompetence -financial constraints -competition within the family business -profit sharing.
12-06-2012 MALE IGBO	Founder	This is a private family owned consulting company. They have another arm that deals in oil and gas. First Impression: Good location (busy highbrow Lagos Commercial Area); Good ambience.	This very highly educated respondent runs this family business with his wife. The company is still relatively new but they have a strong marketing team. The wife is very much involved with the marketing team. She is bringing in her very strong sales background in the banking industry into the business.	I had a very interesting time with him and cannot fail to notice his strong passion, zeal, will and motivation for this business transcend generations.	5 years previous work experience: -people's management -presentation skills -negotiating skills and -financial intelligence	N/A	N/A	-all profits made in family businesses are retained in the family -the longevity of family businesses -creativity and innovative abilities are better harnessed in FBs	-FBs are basically run by the nuclear family and hence are limited in statue unlike NFBs -FBs are however faster in decision making	-instilling professionalism -decisiveness in decision making and implementation of those decisions. -promoting a merit system -ensuring that capable hand do the business -attaining and benchmarking a world-class model	-non-professionalism and poor work ethics -funding limitations -the growth of FBs is limited to the foresight of the driver -continuity is always an issue in FBs
12-06-2012	Founder's Son	This is probably the oldest family	I took my time to pursue him, one of the	I observed that most of the members of the	No previous work	N/A	N/A	-FBs leaves a sustainable	-decision making is more	-professionalism -good work	-limitation in access to bank

MALE YORUBA		business on my list. Their head office is based in Ibadan (a city close to Lagos). They however have a big outlet and office in Lagos where most of our interactions took place. First Impression: well established business; strong family values evident in the layout of their outfit and the attitude of their employees to clients and visitors alike.	sons of the fashion icons. The company was known for their custom made men's clothing in the early 80s. The founder's wife was also one of the originators of tailored-made wedding gowns in Nigeria. These old fashion icons took their time in building this business which obviously would transcend its 2 nd generation.	family are artistic and have chosen careers related to that. They are all well-educated and trained. He picked more interest in the fashion business and is currently the CEO. His siblings however are part owners. He has included another section that deals in both local and foreign fabrics so that their customers would have a wide variety of choices. He has spent 26 years working in this business.	experience.			wealth for subsequent generations -FBs are more long-term in nature -FBs provide sustainable economic growth -FBs are stable, so they provide a stable means of employment for family and non-family employees	streamlined in FBs -though some FBs have a proper structure in place like NFBs but business decisions in FBs could sometimes be less formal than in NFBs	ethics -financial discipline -proper planning	financing -internal conflict -informal succession plan.
13-06-2012 FEMALE ISOKO (MINORITY)	Founder	This is a telecommunications business founded and managed by a lady with the full backing of her husband. First Impression: well spacious office space; good location.	She spoke highly of her husband, who partakes in all managerial and business decisions.	The evidence of a feminine touch was pronounced in this particular organisation.	2 years previous work experience: -planning -peoples' skill -accounting skill	N/A	N/A	-you enjoy immeasurable family support in FBs -it provides you with an opportunity to develop your leadership and managerial skills -you provide employment for a variety of people	-management structure -reporting line/hierarchy	-professionalism must be maintained at all times -clear focus and vision -good and clear communication must be maintained -financial discipline	-sentimental in decision making -not separating business funds from family funds -over familiarity -neglecting your family values
13-06-2012 MALE IGBO	Founder	This company is into mining of sand used in construction sites. It is a mid-size business that requires skilled labour. First Impression: Hands-on job; very busy; small office space used for administrative purpose.	This business is managed by the couple She works on part-time basis while her husband is fully on site to monitor, drilling and loading of sand. She goes in 4 times a week to sort out administrative issues and staff salaries.	Both couple work with deep understandings of their very competitive business terrain. They keep their ears close to the ground and also do a lot of marketing.	5 years previous work experience: -managerial Skill -ability to deal with employees vis-a-vis the company's clients.	N/A	N/A	-FBs can be more profitable and rewarding than NFBs -easier management structure -easier implementation of policies	Management Structure	-there must be clear business policies -good communication line must be maintained with employees at all times -your employees must be properly trained for their job role	-financial indiscipline -poor managerial practices -mixing family issues with business issues
14-06-2012 FEMALE	Co-Founder (Partner)	This practice is one of the very few law firms that I interviewed. It is a	The law practice was her husband's original idea. She joined him after working with	This appears to be a very successful family based law practice. They are still small in	1 year previous Work experience:	N/A	N/A	-family businesses transcend beyond you;	-family businesses goes into generations -continuity is	-discipline -avoid spending beyond your limit	-unseriousness -not focussed -allowing free jobs (not

ITSEKIRI (MINORITY)		law practice founded and managed by a couple First Impression: Good location; very busy practice; well spacious office space	another law firm for a year. They work well together and have defined their areas of strengths over the years. They look forward to at least two of their children following in their footsteps.	size but they are focused and determined to leave their mark in ensuring that the human rights of an average Nigerian is well protected.	-financial strategy -firm reformation -proper staff welfare			your children inherits the business from you -investing your time in your business is really worth it -the entire finance of the business or practice is managed by you -time control – you manage your time (for non-family businesses, they manage your time)	guarded jealousy in family businesses -non-family businesses only carry on for financial reasons, family businesses transcend beyond that -non-family businesses can easily terminate business partnership and organisation	-control must be maintained -get the best to work for your business -allow others be.	paying for services rendered) -lack of discipline
14-06-2012 MALE AFENMAI (MINORITY)	Founder	This is a consulting firm that is also into oil and gas. First Impression: the company is located in a very busy highbrow high street; well spacious; nice aesthetic appeal.	The business was founded by him but is managed by himself and his wife. The founder is comfortable with the progress that the business has made since inception. He is especially happy to be building a sustainable business empire with his wife. He is confident that with the level of effort that is going into the business, they would leave a legacy for their children.	It appears that this business is owned and managed by a family that has a clear vision and purpose.	15 years previous work experience: -business policy formulation -financial management -marketing	N/A	N/A	-FBs allows for personal expression -it is fulfilling -FBs help you develop network associates/ connections -FBs motivates its employees (both family & non-family alike)	-structures and procedures -FBs are usually smaller -growth in FBs is managing peoples' attitudes -FBs have a flat organisation	-competence of hired staff must be priority -financial discipline must be maintained -marketing skills of employees must be developed and maintain good social network You must start grooming successors early	-lack of succession plans -lack of a proper operating system -financial recklessness -lack of competence (most times of family employees).
15-06-2012 MALE ESAN (MINORITY)	Founder's Spouse	This is an interior decoration firm owned and managed by the founder and his spouse. First Impression: good location (nice busy high street in Ikeja which is also close to residential areas).	This is another couple managed business. Husband handles the technical details of their business while the wife solicits for businesses and does most of the designing.	The couple works with mutual understanding and respect for each other. The business is new, probably still trying to find its feet.	5 years previous work experience: -sales -strategy formulation -relationship management	N/A	N/A	-you have the opportunity to decide your vision -you have less pressure from shareholders -you are less risk averse -you can grow at your own pace	-there is less emphasis on organisational structure in FBs -employees in non-family businesses are likely to be more loyal -decision making is faster in family businesses -succession	-competence must be considered in recruitment exercises -there must be a clear line of distinction between personal and business interest -there must be a	-it is difficult to draw a line between personal and business interests -under performance by family employees -internal struggle is peculiar to

									issues are easier to handle in family businesses	legal framework to guide your business operations	family businesses
15-06-2012 MALE IKA (MINORITY)	Founder	This is a neighbourhood supermarket. It is located within a large residential estate. The business also has a separate laundry and dry-cleaning business. First Impression: good business location; well stocked store.	This is a typical husband and wife business. Both are middle age with grown up kids. They dedicate a lot of their time in managing their two businesses. According to the founder "they are building a legacy for their children and children's children".	This is a very busy neighbourhood business. Both lines of business (supermarket and laundry) are very popular within the residential estate. Both couples are always there overseeing the business. The husband remains the main decision maker.	20 years previous work experience: -marketing skill -management skill -accounting skill	N/A	N/A	-FBs are easier to control -FBs are easier to manage -no bureaucracy in decision making	-FBs ownership belong directly to the family -FBs has a higher risk in the event of financial or physical loss -management in FBs is streamlined	-the management must be prudent -personal attention must be paid to the business at all times -careful decision making -enough capital must be invested into the business -business growth must be a priority	-raising of external capital -limitation in business management -under staffing.
15-06-2012 FEMALE EDO STATE (MINORITY)	Co-Founder	This is a similar neighbourhood supermarket located in a large residential area of Lagos State. This business was jointly founded by a couple First Impression: Big, supermarket, well stocked, plenty of staff	This business has more family presence in terms of family members visiting to help (on an unpaid basis). The wife is more aggressive; consequently she makes and executes most of the business decisions. Both husband and wife work in the business full-time. They do not have children yet.	An uncommon relationship was observed between this unique couple. I was going to interview the husband before the wife resumed. The moment she came and asked for the reason for my visit; she insisted that she would be a better position to answer all my questions that her husband needed to organise their book-keeping for the day.	No previous work experience.	N/A	N/A	-you get retain all the profit in your family -it encourages and develops hard-work in you -it provides job and financial security.	No response	-passion for the business -commitment and dedication to the business -innovation (you must be very innovative for your business to be successful)	-long hours (no structured work pattern) -lack of financial planning
18-06-2012 FEMALE IGBO	Co-Founder	This business was founded by the couple First Impression: Large workshop; lots of equipment; good show-room	The founder developed a deep passion for designing clothes since her teenage years. After getting married, she started it on a small scale. Her husband joined in the business after he had a few challenges with work approximately 8 years ago. Between the two of them, they have built it from a home-based business into a	She works very well with her husband. She accords him huge respect for his detailed business planning skills and also the organisation that he brought into the business.	18 years previous work experience: -cutting -designing -sewing -peoples' skills	N/A	N/A	-this business has enjoyed the full support and backing of my immediate and extended family -this FB has access to huge financial pool of resources to draw from	-NFBs are more structured in their operational setup -decision making in NFB however takes a longer time	-loyalty and commitment to the family business -work discipline -financial discipline	-no clear goals -lack of adequate planning

			major household name in most parts of Lagos.								
18-06-2012 MALE IGBO	Founder	First Impression: Good location; Well spacious; lots of machineries; good display of products at the reception area.	This is another typical family based business. It is managed by the founder and his brother majorly. His wife works casually in the company as their administrative manager.	Overall, the respondent is very knowledgeable about food processing. He spent over 23 years working in the quality control department of a multinational food and beverage company before leaving to set up this business. He spoke about this business with a lot of passion and look forward to his oldest son joining him after gathering enough external work experience.	23 years previous work experience: -recipe compliance (specification) -process-on-line (monitoring) -finished goods inspection	N/A	N/A	-it is a training ground for making mistakes and learning from them -faster decision making -provides opportunities to network with people in your family members' personal social circle	-NFBs have a more formal business structure -streamlined decision making structure in FBs	-strong interest in the business -passion -aggressiveness -motivation	Financial indiscipline
19-06-2012 MALE ISHAN (MINORITY)	Founder	This is a pharmaceutical company. They sell already produced drugs to end users. They have two outlets in Lagos. I met with the founder. It was challenging getting him to complete my questionnaire but I succeeded eventually. First Impression: Main branch- very neat; well spacious; well stocked.	He works with his wife in managing this very lucrative business. They run both day and evening chemist. According to him, the business is very focused on their family and business goals. They have plans to expand and open branches in different parts of Lagos.	Joint couple business. The founder has started planning his succession. He is encouraging his first son towards studying pharmacy. The catch for the next generation is that –if they are drafted into a well-structured business; the motivation to grow it further would be stronger.	15 years previous work experience: -retailing -management -financial management	N/A	N/A	-FBs builds strong family and business values in you -it helps you affect your employees' lives both positively and directly	Most NFBs have a more defined management structure	-strong work ethics -clear business goals -vertical communication line	-hiring incompetent hands -financial indiscipline
19-06-2012 FEMALE EDO STATE (MINORITY)	Co-Founder	She handles the Publishing arm of this company while her husband oversees the oil & gas aspect. First Impression: office located in an highbrow area of Lagos; well spacious; well-staffed	Each couple has defined job roles. They meet to exchange ideas and brainstorm on difficult areas. They are well co-ordinated. I interviewed him for the purpose of this questionnaire, we discussed at length about the publishing arm of the company.	Typical family centred business with a formal structure in place.	5 years previous work experience: -managerial Skills -marketing Skills -administrative Skills -peoples' skills	N/A	N/A	-it allows you have more time for the family -you can be more creative -decision making is easier -it makes planning easier	-family wields more control in FBs -the structure is less formal in FBs -decisions are taken faster in FBs -FBs are smaller in size	-stability -strong financial base -good knowledge of the business -strong organisational skills -loyalty	-succession - accountability -disloyalty -financial constraints

20-06-2012 FEMALE YORUBA	Co-Founder	The business was founded by the respondent and her husband. It is located in a large residential area in Lagos. First Impression: Big Building; Well Segmented Business; Good Location	The respondent started this business with her husband in 2002. It started out as a small beauty parlour. In the space of 10 years, they have expanded and diversified into fashion design, sale of fabrics and footwear.	Her husband keeps a second job but he however works in the business in the evenings and fully on weekends. Her brother-in-law (husband's brother) works with her in overseeing the business. They intend to grow and expand further in the next coming years.	5 years previous work experience: -accounting skills -marketing skills -human resource management	N/A	N/A	-helps you make your decisions as at when needed -setting your own goals and achieving them -creating your unique standards -creates for you flexible working hours	-the organogram in FBs can altered at will -working hours in FBs can also be altered at will -there are no set rules and regulations in FBs	-common goals and vision -like minds working together -stronger allegiance to the business and family -personal efforts must be strong -encourage longer working hours until a standard structure is achieved	-internal fractions can lead to failure -profit sharing can be a challenge -family members tend to take things for granted.
20-06-2012 MALE AKWA IBOM (MINORITY)	Founder	This is an architectural firm founded by the respondent. First Impression: Central location (occupies the 4 th floor of a high-rise building); good office space; well furnished.	The founder is building a business that would live beyond him. His vision is for his first son to study architecture and take over the practice from him in the nearest future.	He was very detailed in his explanation of what he does and his plans for the future.	6 years previous work experience: -leadership -accountability -diligence	N/A	N/A	-freedom to choose your activities -more dedication because it is your work -it is less stressful	No response	-direct mentoring -dedication	-owners tend to attach too much sentiment to decision making -conversely workers are also too detached from the business due to the above reason
20-06-2012 MALE IGBO	Co-Founder	This business was co-founded by the respondent (who is a red-cap chief in Igbo land) and his wife. Presumably, it is a very important title. It was pretty challenging getting him to complete the questionnaire. First Impression: big business; good location; large space for their trucks to	This is a big haulage business. They are also involved in clearing and forwarding. His wife (a very quiet and unassuming woman) works with her husband full-time in managing this business. According to him, most business decisions are taken together by the couple.	Most people from this tribe train their first male child to take over their business and this is exactly the personal goal of the respondent. He has three sons, his desire is that his first male child would step into his shoes in the nearest future.	10 years previous work experience: -business management skills -administrative skills -financial prudence and discipline	N/A	N/A	No response	No response	No response	No response
21-06-2012 MALE YORUBA	Founder	This is a consulting firm managed by the founder with the assistance of his wife who works in the company on a part-time basis.	He is a well read and travelled man. He speaks very well and is very much involved in management consulting amongst	The couple works well together. They have the desire to grow the business significantly in the next couple of years.	6 years previous work experience: -managing projects -managing a	N/A	N/A	You have partners you can trust more	Family business is less structured	-same vision -same goals	Lack of seriousness

		First Impression: Good location; Nice aesthetic appeal; well furnished; good reception area	is a trained Human Resources Management Expert. She therefore participates in their consulting jobs.		business -managing people						
21-06-2012 FEMALE YORUBA	Founder	This business is involved in catering services and event management. The founder works with her husband who holds the majority shares in the company. First Impression: strategic location; well spacious; company located in a very busy high street on Lagos mainland.	The respondent and her husband are the main decision makers in this business. Though her husband keeps a 2 nd job, he is still very much involved in the day-to-day management of the business.	My conversation with the respondent revealed that her family regards this business as their own thing so everybody is involved in its successes and failures. Her sister works with her as her station manager. She also assist in overseeing major events.	5 years previous work experience: -diligence and hard-work -honesty -bringing in ideas that would benefit the organisation	N/A	N/A	-creating opportunities to be creative -fostering family bond and trust -opportunity to train the next generation in your line of business	There is no clear reporting structure in family businesses	-total dedication to the business -a separate finance must be created for the business	Financial indiscipline
21-06-2012 MALE IGBO	Founder	This business is approximately 2 year old. It provides dry-cleaning and laundry services to employees of different companies on a very busy high street on Lagos mainland. First Impression: Well equipped; strategic location; good reception area	The Founder works with his brother and cousin in managing and maintaining control of this young business. The business is still in its growing phase. He has no future plans of working for any other employer other than building this laundry business into a household name in Lagos.	The three relatives work very well together. His fiancée currently work in the private sector but the plan is for her to join the business immediately after they get married.	3 years previous work experience: -accounting skills -peoples' skills - communication skills	N/A	N/A	No response	No response	No response	No response
22-06-2012 MALE EDO STATE (MINORITY)	Founder	This is another law practice. It is currently managed solely by Him but the plan is for his wife to join in after leaving the services of the financial institution she currently works for. First Impression: well spacious; employees' seats not properly	The couple are both legal practitioners. The wife helps her husband's practice informally. Their first son is already preparing to follow in his parent's footsteps. He is still in high school but he is picking his subjects carefully (I met him during this interview).	This is clearly a family practice.	4 years previous work experience: -investigational Skills -prosecution -general Security	N/A	N/A	-you enjoy family patronage -you also enjoy patronage from your family's social network -source of funds is sure -free advice -continuity	Family Businesses are structured to have the following: -sure source of funds -job security -fairness at work -longer working period	-the presence of bonding in the family -job security for family members	-over familiarity -laziness -indiscipline

		demarcated.									
22-06-2012 MALE IGBO	Founder's Son	This is family owned and managed supermarket in a new residential estate. First Impression: mid-sized supermarket; well stocked	I discussed with the respondent who is the first son of the owner of the supermarket. He works in the supermarket with his parents; his younger ones are still in school.	He considers having a ready-made paid employment a privilege. He also views this business as a legacy which should be transferred from generation to generation.	No previous work experience	N/A	N/A	-it provides job security -it affects the business' employees positively -it is long term in nature	No response	-loyalty -trust -discipline -strong financial base	-sibling rivalry -inability to access bank funds -lack of trust
22-06-2012 MALE HAUSA	Co- Founder	This is a typical foreign exchange business. The business was established by the respondent and his brothers. However, he owns majority of the shares in this business. First Impression: Small office space (most of their employees hang around on the streets scouting for forex buyers)	The founder is the major decision maker in this business. He works with his brothers who help in managing this very high risk business. He expressed his confidence and trust in both of them. According to him, they are very loyal to him and the business.	This is a family-centred business. The brothers work together in mutual trust and understanding. The founder's son is currently in college studying Business Administration; his plan is to bring him into the business after a while.	10 years previous work experience: -business knowledge -prospecting for customers -keeping proper book records	N/A	N/A	-allows me to have full control of time -allows me build a good establishment and also encourages my sense of creativity	Family Businesses are structured as follows: -high input of personal income/finance -high input of time and energy -a good succession plan	-financial control -discipline -strong family values -trust	-input of a lot of personal income -personally having to work with difficult relatives
26-06-2012 MALE IGBO	Founder	The founder has been manufacturing and selling foot-wears for the past 22 years. His wife met and joined him in this business. His elder brother's son (his nephew) has also trained under him and currently works with him. First Impression: good location; parking space available; good display of products; small workshop space; few equipment	He encourages hand-made shoes but he still produces machine made ones as well. He is well knowledgeable in this business. After his marriage, he expanded his business further because his wife brought in the feminine touch. She helps with designing sandals and shoes for women and children.	The business has grown tremendously according to the owners. They have the vision of expanding it further before the next generation takes over.	5 years previous work experience: -taught me how to source for customers -taught me how to meet customers' Needs -taught me how to grow and nurture a small business.	N/A	N/A	-it provides a readymade employment for all members of the family -it encourages family bonding	No response	-loyalty is important -trust is key -financial stability	-laziness -lack of trust
26-06-2012	Founder	He works with his wife in this thriving	The couple work in the business on a full	A typical family-focused business. Most	6 years previous	N/A	N/A	-discipline is built into you	Faster decision making is	-job security must be priority	-sentiments -lack of

MALE IGBO		clothing and textile business. They are also involved in the manufacture of local fabrics called 'adire'. First Impression: good location; well stocked; spacious	time basis. They have developed a good working system; however, the respondent remains the main decision maker.	business decisions are centred on the family.	experience: -prospecting for customers -selling skills -setting up proper business procedures and policies -accountability			and your family -it encourages you to have a clear vision -joint decision making encourages	evident in family businesses	-financial discipline	skilled personnel
27-06-2012 MALE EDO STATE (MINORITY)	Founder	This publishing company is a household name in Nigeria. They publish books for preschool and reception. First Impression: Big building; well spacious; properly segmented; good location	The business has a significant number of family employees in it. His wife works as the Deputy Managing Director while his brother works as the General Manager.	The respondent is building a sustainable family business; one that his children can proudly take over soon – these were his words.	18 years previous work experience: -public relations -marketing skills -quality control	N/A	N/A	-more capital will be raised in FBs -everyone is a joint owner -family needs are adequately cared for	-diligence is maintained strictly in NFBs -NFBs normally follow CAMA's procedures -NFBs are fully backed by law -NFBs is of entity concept	-interest free capital -taking more calculated risk -collaboration in generating ideas	-non agreement on core issues might lead to failure -fear of risk usually reduces FBs level of profit -lack of standard procedure in profit sharing
27-06-2012 FEMALE DELTA STATE (MINORITY)	Founder	This business is into selling designer clothes and gold jewelleries. It is located in a highly populated residential estate in a highbrow area of Lagos.	The respondent was inspired into business by her mother. She had a great influence over her entire life and most especially on her business skills. The respondent has only a child (a girl) and she is working very hard towards expanding what her mother handed down to her over to her daughter when she is ready.	The respondent runs a successful chain of businesses in Lagos (mostly clothing and jewelleries). Her sisters and cousins work with her.	5 years previous work experience: -ability to manage difficult customers -ability to start and conclude a transaction -ability to manage debtors -stock taking	N/A	N/A	-obtaining trade secrets from the previous generation -the power of synergy -ability to pull resources together	-faster decision making in family businesses -ownership structure is different	-good work ethics -professionalism -strong financial base	-employing unskilled staff -financial indiscipline
27-06-2012 FEMALE IGBO	Founder	This is another household name in the supply of foreign educational books into Nigerian Schools. They also operate a major wholesaler book-store. First Impression: Large Bookstore; Very Busy; Well Stocked; Good	The respondent runs this business with her husband and 1 st two children. Her husband is retired from active work so he works in the company full time as the Chairman. Her 1 st two children- one works as the Deputy Managing Director while the other one works as the Marketing Director.	This is a family centred business with over a 100 employees. They have branches in major cities in Nigeria.	10 years previous work experience: -international business experience -confidence in starting and running a successful business	N/A	N/A	Passing on the business values and passion to the next generation	Commitment is not profound in NFBs	-shared values -total commitment	Forcing children to go into the business against their will.

		Location; Well -Staffed.	The company is affiliated to major book publishers in the United Kingdom and the U.S.A.								
28-06-2012 MALE HAUSA	Founder	I visited this eatery joint one very early morning (approximately 9am) and it was very busy. It is local food canteen run by the respondent and his wife. I had to wait for over one hour before I could get a chance to speak with the founder. First Impression: well spacious; good location (it is on an extremely busy high street in Ikeja, Lagos); very busy; well-staffed.	The founder didn't just veer off into this line of business, he is a trained caterer. He runs the business with his wife. He attends a lot of training courses from time to time to improve his managerial and culinary skills. Both couple demonstrated a clear goal of giving the highest level of customer service to all their customers.	The respondent's wife and two brother s works in the business with him. I also observed that they have a good cash collection system that makes it difficult for any customer to leave the restaurant without paying.	2 years previous work experience: -organisational skills -book-keeping skills -industry knowledge -business knowledge	N/A	N/A	-the freedom to take decisions -the flexibility of time -the joy of leaving the business to my children in the long run.	-control belong solely to the family in FBs -decision making is faster in FBs	-having a standard operations manual --developing a solid relationship with financial institutions -employing skilled labour	Lack of family and business vision by the non-family employees -financial instability -no access to financial institutions
28-06-2012 MALE IGBO	Founder	This business is into importing and selling mobile phones and its accessories. It is located in a busy open market on Lagos Island. First Impression: Well stocked; good location for wholesale market; store was well stocked.	The Founder runs this business with his brother, wife and cousin. They are supported by 3 sales staff and 3 marketing staff. The business is very lucrative but according to him you must be surrounded by people that you trust.	The management structure of this business is centred primarily on the family.	5 years previous work experience: -accountability -selling skills -business planning	N/A	N/A	-loyalty of both family and non-family employees is stronger in family businesses -huge support (financial and physical) is enjoyed from your family members	Management structure in family business is centred around the family	-clear goals for the business -financial stability	Indiscipline
29-06-2012 MALE YORUBA	Co-Founder	The business is into manufacturing footwear, and ready-made clothing for male and female. First Impression: Good locations (different branches); good ambience;	The respondent is very passionate about this business. He has invested a lot of time and energy into building it into a major clothing brand in Nigeria today. He works closely with his wife and brother.	The respondent was trained by his mother. She built-up the passion in him. He is in-turn looking forward to establishing a long-lasting legacy that can be transferred to his children.	No previous Work experience	N/A	N/A	-ability to build a business empire that can outlive you -developing strong family and business values -enjoying strong support from your	-ownership structure -management structure of directors' composition	-strong loyalty -discipline -access to bank financing	-employing unskilled labour -unseriousness -not communicating the business' vision clearly to both family and non-family

		well stocked and busy stores						family and friends			employees
29-06-2012 MALE IKA (MINORITY GROUP)	Founder's Son	Business was founded approximately 18 years ago by the respondent's parents and relatives. It is a publishing company. They print and publish for major magazines and educational books in Nigeria. First Impression: Big office space; suitable location for this type of business; big machineries in place.	The respondent joined the company six years ago after gathering some experience in the private sector. This family business has employed significant number of family members since its inception.	This is a mid-size family business with over 120 employees. It is well structured and occupies a gigantic building.	6 years previous work experience: -business management skills -administrative skills -selling skills	N/A	N/A	-access to huge family funds (interest free loans) -access to cheaper manpower -the longevity of family businesses	No response	-financial stability -financial discipline -setting up a proper accounting reporting system	-employing unskilled labour -bad work ethics - unprofessionalism
29-06-2012 FEMALE IGBO	Founder	This business manufactures carrier and other polythene bags for domestic, commercial and industrial uses. It is a small business but with huge customer base. First Impression: very busy factory; buzzing with customers; not too many machineries but the ones available are utilised to their full capacity	The respondent works with her husband, son and brother-in-law in ensuring that their business and family interests are well protected.	Another typical family business, owned by a couple but employs other family members to tighten their control over the business' operations.	7 years previous work experience: -managing relationships -entrepreneurial skills -tolerance, patience and dedication	N/A	N/A	-family ownership is considered to be an advantage -posterity and family name is retained -flexibility of time (working long and odd hours is possible) -exposure to the workings of the family and its values	-administration is different -decision making - employment policies Customer relationship	-discipline must be maintained -loyalty of employees to the business Commitment -networking -patience and tolerance	-lack of adequate financing -conflict
02-07-2012 MALE HAUSA	Founder	The respondent trades in onions on a large scale. He has a large stall in the 2 nd largest food market in Lagos. Three of his brothers (one older; two younger) works closely with him in this business.	This family business can be considered to be small but they buy and sell onions on a large scale.	This business has 12 employees in all. Out of these 12 employees, 7 are family members.	10 years previous work experience: -business knowledge -selling skills -identifying good food crops	N/A	N/A	-it creates a sense of belonging -it allows full control of your time	No response	-diligence of family members -commitment to the business -financial discipline	-conflict -unclear succession plan.
02-07-2012	Founder's	This is another	The business is	He works very well with	6 years	N/A	N/A	-time flexibility	No response	-dedication to the	-

MALE HAUS A	Son	family-centred business that is involved in farming of food crops. They sell their farm produce in their large stall in the 2 nd biggest food market in Lagos.	managed by local Hausa men. They all work together as a family. Their major crops are: beans; yam and potato.	his brothers and relatives. They jointly make important business decisions together.	previous work experience: -apprenticeship -farming techniques -selling farm produce			-easier to start-up a family business -provides a ready job		business -commitment to the business -ownership mentality must be maintained -ability to set realistic goals	disagreements -favouritism
02-07-2012 MALE HAUS A	Co-Founder	This business is into the same of different peppers. This they do on a large scale. Wholesalers purchase large baskets of different peppers from them, First Impression: Big stall; open market environment	Typical of family businesses founded by Hausa men, this business is being managed by him, his brothers and relatives. They do not have any non-family member working for them in the business.	This is the 1 st family business I interviewed without any non-family employee.	10 years previous work experience: -selling -buying the right farm produce -putting the right mark-up for profit	N/A	N/A	-sense of belonging is created in people -time flexibility	No formal structure in family businesses	-discipline -dedication -ownership mentality	Limited work of income.
02-07-2012 MALE CALABAR (MINORITY)	Co-Founder	This is a traditional Calabar restaurant. This large kitchen is managed by him and his wife. It is a mid-sized restaurant located near a big high street with lots of professionals working in different Big organisations.	Big time food business. Very busy throughout my interview. Both couples work full time in the business. Their vision is to build and expand this business beyond them.	A typical family business where both husband and wife make joint business decisions.	5 years previous work experience: -culinary skills -peoples' skills -marketing Skills	N/A	N/A	-a sense of belonging -improves family bonding	No response	-clear focus -financial discipline	Disagreement over certain key decisions.
03-07-2012 MALE HAUSA	Founder's Son	The respondent trades in different peppers at the largest food market in Lagos. They have about 4 standard stalls joined together.	He works with his brothers and father in this business. They also have 6 other relatives working with them in this business.	The business is managed by a group of uneducated people. However, they are well organised and each person carries out his job role with a lot of passion and zeal. The business has only family employees	4 years previous work experience: -apprenticeship -selling skills -accounting Skills	N/A	N/A	-time flexibility -total control	No response	-availability of funds -being focused -having an ownership mentality	Having no definite succession plan
MARKET 03-07-2012 FEMALE HAUSA	Founder's Daughter	The business is trades in little but essential food items: onions; okro and long dried pepper. She is the first female respondent I interviewed that works with her father in this highly	This is a very busy stall. They had regular flow of customers because of the essential food items they were trading in. The father seemed proud of his daughter. Her husband also	They have approximately 5 stalls joined together to sell all their produce. The fact remains that the father is the major decision maker. He gave each of his children the freedom to do sell the goods using his or her	5 years previous work experience: -apprenticeship Selling skills -buying Wholesome farm produce	N/A	N/A	-having control of one's time -access to interest free capital from one's family	No response	-selflessness -dedication -sense of responsibility	-conflict -no clear succession plan -lack of focus and common goal

		competitive farm produce market. First Impression: mid-size stall; farm produce well laid out	works in this business with her, and her father. It is a closely knitted family business.	own methods.							
03-07-2012 MALE HAUSA	co-founder	This is a bureau-de-change managed by three brothers. They have two other family employees 20 non-family employees out of which is their general manager (GM). They occupy a small office Lagos in the heart of Lagos.	This is another busy company. The eldest brother was the one that attended to me and he seemed to be the main decision maker.	This is a family-centred business and the focus is on building a sustainable company that can be shared among their sons when they are old enough to work in the business	5 years previous work experience: -apprenticeship -administrative skills -managerial skills	N/A	N/A	-changes are easier to implement -time flexibility	Decision making procedure in family businesses is different from the structure in a non-family business	-business must be separated from the family -dedication	-no succession plan -no proper organisation
04-07-2012 MALE HAUSA	Co-Founder	This is a big onion wholesaler at the biggest food market in Lagos First Impression: Busy stall; mid-size stall; strategic spot in the market	The respondent runs this onion business with his brothers and two other relatives as his key trusted staff. His other 4 employees scout around the market for bulk buyers.	This is a closely knitted family business.	10 years previous work experience: -apprenticeship -trade secrets - communication skills	N/A	N/A	Access to family backed finances	No response	-dedicated family members -loyalty to the family and business	- disagreements amongst family members -overbearing siblings
04-07-2012 MALE HAUSA	Founder's Son	This is a local bureau-de-change business called forex trading. The owners have their three children working in the business. First Impression: informal forex trading; all their employees are on the busy high street in Gbagada looking for customers.	Business is situated in a good location, close to all the major banks which are possibly their suppliers. The boys work with their father. They also have 10 other employees who are not related to them working in the business with them.	Typical family business.	5 years previous work experience: Business knowledge	N/A	N/A	-provides easy employment -easier access to family income -the business stays in the family for long	No response	-financial discipline -dedication to work	Lack of commitment
04-07-2012 MALE HAUSA	Founder's Son	This is another family business involved in the sales of potatoes, yam and onions. They also occupy about 4	The business is managed by the respondent, his brothers and father. They sell food items that are in high	This business has only family employees. They all work together amicably. The respondent mentioned that they understand	No previous work experience	N/A	N/A	-easy access to jobs -family business provides you with an unusual	No response	-you must be disciplined -you must be hard working and determined to succeed	Occasional conflicts

		stalls in the busiest food market in Lagos. First Impression: good market location; busy stall.	demand in the market.	their father's business principles and they all try to strictly follow them.				opportunity			
05-07-2012 MALE HAUS A	Co-Founder	This is a local forex trading business located in the heart of Lagos. First Impression: Business is located to major importers of goods within Lagos- so it located in a strategic place.	The respondent spoke highly of his older cousin who trained him in this line of business. He also set him up with some contacts before leaving him to run solo. In the past four years, he has been able to build a business that can also employ his younger brother, 5 relatives and 4 non-family employees.	According to him, local forex trading is very lucrative, however, it is a high risk business. That was why he surrounded himself with people he could trust with large amounts of money.	4 years previous work experience: -foreign exchange trading	N/A	N/A	-family businesses gives one a sense of responsibility -it encourages you to use your skills and talents to the maximum	No response	-you must be disciplined -you must have good book keeping record -you must be focused	-lack of financial discipline -family disagreement
05-07-2012 MALE RIVERS STATE (MINORITY)	Co-Founder	This is an electronics appliances trading store. The buy from major importers of these products and sell them at the wholesale/retail market in the heart of Lagos. First Impression: small business; two shops joined together.	The respondent works with his brothers and cousins in managing this small family business. They sell television sets, CD players, DVD players and other electronic products on both retail and wholesale scales. Their non-family employees basically stand outside the shop to scout for customers. They also deliver goods to customers. They also regularly off-load goods from delivery trucks into their storage room.	This very informal business is well monitored by the family employees that work in the business.	10 years previous work experience: -apprenticeship -selling skills -business Knowledge	N/A	N/A	-the opportunity to build a viable source of income for your entire family -the ability to take decisions as at when needed without fear of restriction -the presence of other family members in the business helps you to take joint profitable business decisions.	No response	-access to interest free financial loan from family members -strict book keeping -organising your work schedule -maintaining a professional relationship with all your employees	-financial indiscipline -bad attitude of family members in the business -Tardiness and laziness
05-07-2012 FEMALE DELTA (MINORITY)	Co-Founder	This fashion designing business was founded by the respondent and her husband. They are both very creative people. Her husband is a graphic artist that works in a	The main visionary in this business is the respondent but she has the full support of her husband who draws out different cloth designs for her. According to the Respondent, they work	This is a typical co-Preneur (a couple's business). The only addition is that they have a vision of growing the business beyond them.	8 years previous work experience: -cutting different types of fabrics -identifying and Designing	N/A	N/A	-family business gives you a sense of ownership -it creates an opportunity to work with your family members	FBs and NFBs differs mostly in decision making process	Financial discipline	-when sentiments are placed over clear business goals -conflicts, when family members see the family

		leading Newspaper House in Nigeria. First Impression: Good location; Good display of clothes; well-equipped work shop.	hand-in-hand to ensure that the business grows.		fabrics -negotiating and communicating with customers			It provides a ready employment for both family and non-family.			business differently
06-07-2012 MALE HAUSA	Co-Founder	First Impression: Busy Market; Large stall; loads of employees.	This FB's primarily line of business is buying yam and potatoes in large quantities from the north and reselling them to wholesalers and retailers at the busiest food market in Lagos. My discussion with the respondent revealed that because of the large quantity of goods they purchase weekly, he has to work with people who can reduce the amount of loss his business was predisposed to.	His brothers are also stake holders in this business.	15 years previous work experience: -learning the trade -identifying good produce for sale -selling to prospective buyers	N/A	N/A	A sense of responsibility is created in you	No response	-there must be a total dedication to the business -loyalty is key in sustaining a family business	Emotions may interfere with business decisions
06-07-2012 MALE EDO (MINORITY)	Co-Founder	This supermarket is located in a residential area in Lagos. They buy goods in wholesale quantity from Lagos Island and resell them to the residents of this very congested residential area. First Impression: Strategic Location; well thought out location	The supermarket is owned and managed by the couple. They have been running the business for over 11 years. They have sent their children to standard independent schools from the proceeds of this business. They see the business as an extension of their joint personalities and sincerely hope that it would out-live them.	Overall, the business appeared to be busy and the couple communicated clearly with their employees while I was there. The manager of their business is the respondent's nephew who also lives with them.	5 years previous work experience: -selling skills (worked as a sales girl) -managerial skills (store manager after 3 years) - communication Skills	N/A	N/A	-family business fosters family bonding -I have access to unlimited financial support from spouse and family members	No response	-loyalty and trust keeps family and non-family employees committed to the business -there must be work ethics There must be financial discipline	-personal expenses must be separated from business funds

06-07-2012	Co-Founder	This Soup Kitchen is located near a busy open market in Lagos. It is a small business. First Impression: busy location; no parking space (business must have been created for those who live and work around the business area (they would normally walk down to the food canteen to eat).	Excellent food (from the aroma of the different soups). The respondent did not stumble on opening a restaurant. He started the business with the savings himself and his wife gathered from their previous jobs of working as a chef and cook in different eateries and homes respectively.	In this business, the respondent is the main decision maker. He however respects his wife's opinion.	18 years previous work experience: -worked as a kitchen assistant (cooking skills) -serving customers -planning different local menu	N/A	N/A	-family businesses provides you with the opportunity to develop your skills and talents -it encourages hard work and good family -family businesses also encourages family bonding and unity	Decision making is faster in a family business	-you must be focused -you must keep your motivation level high -you must be disciplined financially	-not separating business funds from your family purse - communication break down -overbearing attitude of the business founder
09-07-2012	Co-Founder	The respondent manages this pepper soup business with her husband. It is a home-based business.	Her three sisters join in the cooking of their various orders while their non-family employees do the packaging amongst other functions.	The business is very small but it is well managed from the confines of the respondent's home. The principle the respondent is trying to teach her children is that with hard work and to a course, you can cross any hurdle to make that course work in your favour.	10 years previous work experience: -customer Service -selling skills -marketing Strategies			-I enjoy the support and presence of my spouse and children in the family business. -it fosters family unity, bonding and goals. -it increases family wealth.	-The structure of family business is clearly different from non-family business. -decision making is different -in family business managerial and most key positions are occupied by family members.	-being prudent -good work ethics -Clear and written down business goals	-sentiments -no setting boundaries
09-07-2012	Co-Founder	The respondent runs a farm and also sells daily produce of their farm at a highly congested market in Lagos.	The respondent works with his four brothers to manage their produce trading business. They have worked together for five years.	They collaborate well and their plan is to keep increasing their level of output into the market.	No previous Work Experience	N/A	N/A	-control -ability to make decisions -source of income	No response	-discipline -commitment	-limited fund for business expansion -conflicts
10-07-2012	Founder's Son	This is another local forex trading business (probably not recognised by the Central Bank of Nigeria. However, because of the parallel market operating in Nigeria, there are no	The respondent works in this business with his father and brother. They also have some other family employees working in the business with them	Interview went well. The respondent feels privileged to be part of the family business; he appreciates the wealth of knowledge that he can draw from.	No previous Work Experience	N/A	N/A	-access to ready-made employment -enjoying family unity in the family business -access to family funds and support	No response	-financial planning -clear vision	- communication problem -quarrels and disagreement

		laws preventing unregistered forex traders from trading									
10-07-2012	Founder's Son	This company runs long distance haulage business. They move goods from the north to Lagos. They also transport goods for major manufacturing companies in Lagos. They occupy a small office space.	This is a 2 nd generation family business. Most business decisions are made by the respondent and his immediate younger brother.	2 nd generation family business	No previous work experience	N/A	N/A	-family business encourages individual creativity -family business promotes leadership skills in the next generations -learning trade secrets from your parents can only take place in a family business.	No response	-dedication to work -commitment -being focus on company's goals	-financial mismanagement -conflict (family)
MALE											
HAUS											
A											
11-07-2012	Founder's Son	This company is another long distance haulage business.	The respondent manages this business with his brother. However, their father is still the main decision maker in the business.	The company has 5 fleets of trucks. The respondent believes that his father managed the business growth positively. However, he is looking forward to getting an opportunity to grow the business further.	No previous work experience	N/A	N/A	-family businesses are more long term in planning and nature -they can be more successful than other forms of business if they are properly managed. -they enjoy immeasurable support from family members.	No response	-strong loyalty -trust -hard work -dedication to work	-not communicating company's goals to your employees - financial in discipline
MALE											
HAUS											
A											
11-07-2012	Co-Founder	These people are cow sellers. Usually, family members pull resources together to run this type of business. First Impression: loads of cattle.	The founder and his brothers work with some other relatives to breed cows that they buy from the North regularly. These cows are sold to local butchers in Lagos and members of the public who is interested in buying.	The business is lucrative according to Mustafa.	14 years previous work experience: -industry Experience -feeding cattle -selling skills			-it provides flexibility of time -it encourages family unity and bonding -it encourages development of talents within the family	No response	-trust must be earned and maintained -good communication platform must be developed.	-financial in discipline
MALE											
HAUSA											
12-07-2012	Founder's Son	These people are also involved in	It is a 2 nd generation business that has been	The respondent claimed that he has benefited	No previous work	N/A	N/A	No response	No response	No response	No response

MALE HAUS A		cattle rearing.	around for the past 34 years. It remains unregistered because most of their transactions are done informally but they have cut out a business path for their children to follow.	immensely from this family business.	Experience						
12-07-2012 MALE HAUS A	Founder	This business was founded 4 years ago by the owner. He was trained and inspired by an older relative who brought him all the way from Borno State to Lagos.	The respondent runs this business with his brothers and oldest son. The plan is to train them in the line of business until they can handle its daily operations with minimal supervision from him.	This is a typical family centred cattle rearing business.	5 years previous work experience: -learning about cow trading business -selling ability -negotiating and money keeping	N/A	N/A	-I learnt the trade secrets of this business from my parents. -the financial support i get from my family is huge.	No response	-hard work -discipline -commitment -dedication	-laziness -poor book-keeping
13-07-2012 MALE DELTA (MINORITY)	Co-Founder	These brothers' assembly and solder together aluminium doors and windows. First Impression: good product display; strategic location (close to Mushin market on the less congested high street).	The brothers manage the business together sharing ideas and designs regularly.	Good business, good location; good working relationship displayed by the brothers.	15 years previous work experience -industry knowledge -trade secret -assembling aluminium plates	N/A	N/A	-I have access to a pool of resources from my family to run this family business. -my brothers are totally committed to this family business.	Decision making takes longer in non-family business	-prudence (financial) -work discipline -i review my goals from time to time (constant goal setting)	-indiscipline -no clear work rules -occasional conflicts
13-07-2012 MALE HAUSA	Co-Founder	These are local forex traders. Their office is located on a busy high street in Lagos where importers of household wares display and sell their goods.	Local forex trading company managed by the respondent, his two sons and two brothers.	They derive strength from the trust they have in each other and the strong loyalty all of them give to this business individually.	No previous Work Experience	N/A	N/A	-family businesses encourages trust and loyalty among family members -decision making is faster -it provides you with flexible working hours -it encourages hard work and financial prudence	No response	-total dedication to the goals of the business -commitment to the success of the business -hard work Being focused	-financial problems -lack of support from financial institutions -lack of trust

08-01-12 FEMALE PILOT YORUBA	Founder SOURCE OF FINANCE: Private Loan	The restaurant is small but spacious. It is well patronised. The owner is very presentable and appeared knowledgeable about the business.	The respondent seemed to be very passionate about the business. She is also determined to see the business succeed. She gets a lot of support from her husband and her siblings.	Overall, I think the business might grow significantly in the next couple of years. It has not done badly for a business that started almost 4 years ago. Compared to other small fast foods around, it is well patronised because of the owners' touch and her decision to focus majorly on African cuisine (they however serve pastries as well).	1 year previous work experience: - People's management - Money management - Catering know-how skill	NA	NA	No response	No response	No response	No response
08-01-2012 MALE PILOT YORUBA	Son & Part-owner	This accounting firm was started off by the respondent's father. It is a very small business managed by father and son.	The Father focuses on preparing accounts, while the son handles tax issues. They seem to have a good working relationship. They leverage mostly on the father's name and network; however, the son is gradually building a steady flow of clientele for the business.	There is no plan to expand this business as both father and son seem satisfied keeping the business as it is. However, the respondent hopes that one of his children would follow his career path and take over from him in the nearest future.	15 years previous work experience: -Handling wages and salaries -Preparation of management accounts -Income tax and audit experience	N/A	N/A	brings unity into the family -easier expansion -defined and easier succession	No response	Proper planning and orientation within the family	Financial problems
08-01-2012 MALE PILOT YORUBA	Owner	This is a very big law practice with a long and good track record in Nigeria. The respondent's father was a well known senior solicitor and advocate before he died and handed over the business to his son	The respondent seems to derive most of his recognition and achievements from his father's goodwill. Although, he is doing well on his own, you cannot detach his father's successful career from his own.	The business seems to be thriving, well managed with clear direction.	3 years previous work experience: -Professional Experience -Office management -Staff welfare & employment matters.	N/A	N/A	-trust -strong commitment -faster decision making	-lower cost in family businesses 'FBs' -more control in FBs -less formality in decision making	-common values -trust -loyalty -strong solidarity	-lack of versatility due to old age -leadership Incompetence -hiring based on sentiment
08-01-2012 MALE PILOT YORUBA	Owners	This is a typical family owned property management company. The wife, though a full time	The property business is doing fairly well. They have very few challenges mainly due to the	The owners were very upfront and straightforward about their business	Principal Owner – Mr Okesola 10 years previous work experience:	N/A	N/A	No response	No response	No response	No response

		elementary teacher is very much involved in her spouse's business. They work together very well	present economic situation in the country. The owners are also not predisposed to borrowing money from financial institutions basically because of their perceived hostility towards small businesses		Setting up a standard structure						
08-01-2012 MALE PILOT ITSHEKIRI – minority tribe	Founder	This company is a first generation newspaper publishing house. The Owner is well advanced in age but he's still very much involved in the business. The interview was conducted at his residence.	The newspaper is one of the most widely read in Lagos and other parts of Nigeria. He wanted more involvement from his children but most are abroad. The ones around see the company as a retirement centre. He has meanwhile employed capable managers to oversee the business especially when he undertakes some of his numerous business trips	Overall, the business is doing very well. The newspaper is highly competitive. The man seems happy with the knowledge that his children will be taking over the business in the event of his retirement.	15 years- Previous work experience -Curiosity -Tenacity -Discipline	N/A	N/A	-fosters unity in the family -provides employment for family members -gives a wider access to business capital	Policies are well defined in non-family businesses	-planning -being focused -be highly motivated and create incentives to motivate other family employees -proper accounting and financial prudence	-lack of proper control -an overbearing founder -when there is lack of trust.
09-01-2012 MALE HAUSA	Co-Founder	This is a forex business situated at in a sub-urban area of Lagos State. The business is run by men mainly (mostly brothers). It is very informal. They have a kiosk as an office. They are surrounded by banks some of which are their suppliers of foreign currencies.	The owner of the business – He has the highest stake/shares in it despite having his brothers as partners. He is not educated however, his knowledge and passion about the business is interesting. He sources for his clients mostly through his brothers, who	Over all, I perceive a very determined and focused man. Already, the respondent is training his oldest child- a boy, about the business. He sees the business being around for a very long time.	7 years previous work experience: -business knowledge -prospecting for customers -calculating Profit	N/A	N/A	-it creates a strong family bond -it gives you control of your time -it allows for quick decision making	No response	-diligence -loyalty	-conflict

			stand on the road calling out to people to buy foreign currency. They occasionally get referrals from old customers.								
09-01-2012 MALE HAUS A	Founder	First Observation: a mid-size trading store, well stocked, located in a busy market in, Lagos suburban area.	The respondent is a very young business man. He runs this trading store with his wife and two sons. He has a young daughter who goes to school. According him, he is trying to be modern with his ideas by involving his wife (this is not very common in their custom). They sell all sorts of packaged and tin food items. They visit the whole sale market to buy while they retail.	This is a very viable business. Though the couple is uneducated, they seem to have a fine grasp of what the business is about. The founder- He does his book keeping mostly mentally. One of his sons, a primary school leaver, records their stock in a small exercise book, (they use one exercise book per month). The wife attends to customers mostly and keeps an eye on shop lifters.	4 years previous work experience: -starting up a business -selling skills -mental book keeping skills	N/A	N/A	-it increases family bonding -it encourages creativity in the younger ones	No response	-strong commitment to the business -financial discipline	-lack of discipline in finances and work ethics -displaying favouritism
09-01-2012 MALE HAUSA	Founder	This business is located very close to a residential estate. They sell different food produce (raw food items). From what I observed, they are well patronised because they brought the market to the people.	The respondent appears to a shrewd business man. He is in turn training his children in that direction. They have a very large stall, they sell practically all the essential raw food items. Their prices are very competitive. He works with his brothers as well. They are well staffed. Some of them deliver to customers'	This is a thriving family centred business.	5 years previous work experience: -selling skills -negotiating Skills -financial prudence	N/A	N/A	-my family supports me totally -I get motivated by the presence of people I can trust in my business	No response	-trust -loyalty -dedication to work -accountability	-spending your business money -lack control

			houses, some go to the market while others attend to customers at the shop.								
09-01-2012 MALE HAUSA	Co-Founder	This is a yam trading business. It is also located in that same sub-urban area of Lagos. The owners are cousins (7 of them). However, the majority share holder is the Founder, the respondent. The environment is a typical market place. Their stall was well stocked.	He has three of his own children working with him. His staffs also include three cousins and four non-family members. They all get paid weekly. They sell at the close to the competitive price as the largest food market in Lagos. It is a thriving business as 'Yam' is one of the staple food items of Nigerians.	I observe that they generally communicate with each other with respect (they were speaking their traditional dialect throughout my stay there). There was a ready flow of customer traffic and Ma A was in charge of the money bag.	15 years previous work experience (mostly spent outside Lagos). He arrived in Lagos approximately 15 years ago and has been running his own business for approx. 12 years: -selling skills -buying the right produce -calculating profit	N/A	N/A	-the presence of trust -joint decision making	No response	-you must be discipline -do not spend your business funds/capital	-lack of trust - Indiscipline
09-01-2012 MALE HAUSA	Co-Founder	This is also another family centred business owned by the respondent and his three brothers. It is similar in size to the previous one visited. The business is located in a typical market environment.	The respondent is the major decision maker in this business. He owns the single largest shares and according to him, he gave his brothers the capital they invested in the business. This is to buy their trust and full commitment to the growth of the business. His intention is to set each of them up much later so that his own children can come into the business when they are old enough.	The respondent appears to be a very shrewd businessman. Although, not educated, he seems to know where he is going. Yam business is a thriving business in Lagos so they stock up almost four times every week.	5 years previous work experience: -business knowledge -prudence -selling skills	N/A	N/A	-It gives me flexible working time -it promotes unity among members of my family.	No response	-Loyalty -dedication -commitment	Family conflict

10-01-2012 MALE EDO (MINORITY)	Founder	This is a small juice manufacturing business located in heart Lagos State. The company's premises is small but adequately equipped for their level of business. They have a small reception area and few employees.	The respondent is from Edo State. He holds an ordinary diploma in Food technology. He decided to set up a business that would grow with him after working for a food processing company for approx. 4 years. According to him, he realised that he did not require much capital to buy some locally fabricated equipment needed for processing fruits.	The respondent works with his wife (the office manager and administrator). He also has two relatives working for him. One of them supervises their purchases from the market, while the other one works with him in the factory, monitoring the actual fruit processing and packaging. The Founder supervises all supplies and deals with all their customers directly. His wife helps out with this aspect of the business. My conclusion is that even though, one can say that a significant level of trust is present, the business is centred entirely on his nuclear family.	4 years previous work experience: -selling skills -setting up a business -administrative skills	N/A	N/A	-full control of my time -opportunity to be express my creativity -sense of ownership	The presence of a formal structure in a non-family business	-adequate time must be invested in a FB -discipline -there must not be favouritism	-lack of trust -lack of respect for your employees (both family and non-family) -lack of financial discipline
10-01-2012 MALE YORUBA	Founder	The company is a local furniture manufacturer. It is a very small business. They have a big enough workshop at the back of an old uncompleted building. However, the well decorated show room in front is enough to attract customers to the workshop to view their work.	The respondent holds a basic primary school leaving certificate. He is well knowledgeable about this furniture business. However, most of his designs come from his customers.	The respondent could speak passable English. Their show room was His son resumes at the workshop every day after completing his school homework. His father claimed, his son enjoys working there. He also has two of his relatives on his payroll. Mostly to keep an eye on things.	12 years previous work experience: -creativity -technical know-how -business skills	N/A	N/A	-this business gives me flexibility of time -it is my family main source of income (I also support my extended family and wife's family from the proceeds of this business)	No response	-there must be total commitment -there must be trust -you must have control over your financial resources	-when you do not have a focus -when you spend your business capital
10-01-2012 FEMALE YORUBA	Co-Founder	The business is a tailoring shop located in the heart of Lagos. It occupies a mid-size	The respondent decided to go into tailoring business after living as a housewife for	From my discussion with the respondent, her family sees this business as an extension of their	5 years previous work experience: -sewing skills	N/A	N/A	-financial support from my family -quick resolution of	No response	-you must be professional in your approach to the business and your customers	-lack of financial discipline -lack of respect for

		space. There were about 10 tailoring machines and other little equipment.	three years. Her husband sent her to a tailoring school for 5 years before they jointly set up this tailoring business. Till date, her husband is responsible for the business' finances and She is quite happy with that arrangement.	lives. All her children come in after school to put in their own quota into the business. Her husband is fully involved. She mentioned that, she agrees her pricing policy with her husband before implementing same. They have mostly walk-in customers; they also get referrals from family and friends. Most times, her customers bring in the designs they want made out of their fabrics.	-cutting of fabrics into different designs -negotiating with customers			issues		-enough time must be invested into the business	your staff (both family and non-family)
10-01-2012 MALE IGBO	Founder	The business is also located in the heart of Lagos. They sell mobile phones and its accessories. The shop is mid-size, it appears that two shops were joined together to create enough space for this respondent's business.	The respondent spoke passionately about his business. His immediate younger brother and a relative works with him in the business. They buy directly from China. He travels occasionally, but most times his suppliers exports goods to him based on the specifications he sends out to them via email.	My observation: The respondent is training his children in school; and he is aware that they might choose their own career path eventually. However, the plan is that the business would remain in the family; he wants his children to oversee the business from wherever they are when he is too old to continue working in it. They have plans to expand to another location and also diversify into products that can be produced locally in the nearest future.	10 years previous work experience: -apprenticeship -selling skills -book keeping Skills	N/A	N/A	-changes can be effected quickly in a family business -this FB gives me a sense of ownership and relevance in my society	No response	-accountability to the business -dedication to the business	-the risk of business collapsing after the founder's death -lack of financial discipline
10-01-2012 MALE	Founder	The company is also located in the heart of Lagos. They are into the	The founder is a trained mechanical engineer. His	This is a family centred business. Both couples are actively involved in	5 years previous work experience:	N/A	N/A	-the benefits are all mine –I am not taking order from	FB's structure is for husband, wife and children	-financial discipline -dedication -focus	There is likely going to be struggle for

BAJBU (MINORITY)		manufacturing of toiletries, cosmetics and also have another section that undertakes mechanical repairs of industrial machines. They occupy a very small office space with an equally small factory at the back.	wife, a trained chemist handles the manufacturing of their personal care products. Most mechanical repairs are carried out at their clients' factories.	the business and the plan is to leave the business to their children. The founder is hoping that one of his children (male or female) would follow his foot step and study mechanical engineering.	-technical know-how -marketing & selling skills -administrative skills			anybody -I work harder than before			domination
11-01-2012 FEMALE IGBO	Co-Founder	This is a food and beverage trading store. They sell different processed food items; canned food; packaged raw foods and various beverages. It is located in a busy market. My 1 st impression about the business: - well stocked, a bit busy, good location.	She runs this business with her two sisters. They basically buy directly from manufacturers and resell with a little margin to wholesalers and retailers. It is a very good and profitable business.	My overall impression is that the sisters work well together. Mary holds majority of the shares in the business so she takes most of their business decisions. However, she consults her sisters in the day-to-day running of the business.	NONE	N/A	N/A	-it gives you the avenue to implement your ideas -it brings out the best in you -it helps discover and maximise your potentials and abilities	NFBs are more organised and structured.	-adequate discipline -transparency -accountability -cross fertilization of ideas	-no discipline -little accountability -inadequate administration
11-01-2012 MALE IGBO	Founder	This is a textile trading business. They are also located in the heart of Lagos, where most of the importers of textile fabrics are located. First impression: good location, sizeable store, well staffed.	The respondent manages this textile business with his wife. Two of his relatives help with running the business. They sell imported textile fabric to wholesalers and retailers.	This is a thriving textile trading business. The location is a major Lagos market. The founder is very committed to the business. His wife works closely with him. They have plans to expand and start buying local Ankara fabrics. This is to enable them increase their customer base.	10 years previous work experience: -book keeping Skills -selling skills -administrative Skills	N/A	N/A	No response	No response	No response	No response
11-01-2012 FEMALE IGBO	Founder	This company imports and sells chemicals used in manufacturing soaps and detergents. It is a Very new business.	The respondent runs this business with partial help from her husband but full time assistance from two relatives. Her husband is fully	The respondent's family (immediate and extended) are fully involved in the day-to-day running of the business. The plan is to grow the business	3 years previous work experience: -industry Knowledge -production Methods	N/A	N/A	No response	No response	No response	No response

		First Impression: small-sized shop; located away from the busy market but still very close to it so there is still a steady flow of customers to them.	involved with all negotiations with her suppliers abroad. She perceives the business as small now but with a huge growth potential. Growing the business is the immediate focus of this respondent.	substantially in the next couple of years.	-managerial skills						
12-01-2012 FEMALE HAUSA	Co-Founder	This is a textile and Jewellery store located at a sub-urban area of Lagos. It is very close to one of Lagos big markets. The owner is a female northerner (this is not very common in Lagos). First Impression: Very large shop; well stocked, well-staffed; good location.	The respondent runs this very lucrative business with her husband. Her husband manages the textile bit – which are expensive traditional textiles (mostly guinea brocade). She oversees the jewellery aspect. These include: costume jewellery; sterling silver; gold.	The couple, though uneducated are well travelled and exposed to the international market. They appear to be very rich and well connected. They disclose that though their children are getting educated, the long-term goal is to bring them into the business.	25 years previous work experience (Her flair for jewellery business came from the exposure her mum gave her in Kano when she was growing up): -apprenticeship -selling skills -book-keeping skills	N/A	N/A	-FB ownership allows me to have full control of my time and business -it gives me a sense of importance and relevance in the society -it allows me to express my creativity in jewellery design	No response	-strong dedication to the business -a well-structured book-keeping and accounting system	-lack of discipline -occasional family dispute
12-01-2012 FEMALE YORUBA	Founder	This is another company located in the sub-urban area of Lagos. It is a food processing company. First Impression: Small company; presence of a formal structure in place	The respondent is the major decision maker of this company. The company processes dry food into powder form. They package and sell these to retailers. Her husband maintain all their big equipment, despite keeping a separate formal job.	The company appears to be properly managed. Though the respondent's husband has another job, he oversees the technical aspects of the business for his wife. Overall impression: this is a family-centred business.	10 years previous work experience: -production -marketing Skills -selling skills	N/A	N/A	-it gives me enough time to put back into the business (100%) -I have no boss to bully me -all the experiences I gathered from other places can be put back into the FB -the desire to go the extra mile to make the business a success	In FBs, decision making is mostly done by family members and it is usually informal	-good work ethics -professionalism -financial discipline	-financial problems; can't borrow from the bank due to absence of a proper collateral -lack of proper machinery -erratic power supply -absence of skilled personnel
12-01-2012	Founder	The company is located in a sub-	The respondent oversees the day	Overall, the family working in this	20 years previous	N/A	N/A	No response	No response	No response	No response

MALE IGBO		urban area of Lagos. They produce stove thread; soaps; liquid wash; and body cream. First Impression: Multiple Stream of Income; Factory Spacious Enough; Informal Structure	-to-day running of the business with his younger brother. His wife works part time as their administrator. The business is thriving; it has a multiple stream of income. Working with trusted family members makes it easier and helpful to focus on important aspects of the business for example: marketing the company's products and carrying out various promotional sales at different markets	business seems to be well co-ordinated and focused. The company was not very busy as at the time I visited but they carry out a high level of outside marketing and selling.	experience: -managerial skill -problem solving skill -human resource management						
12-01-2012 MALE YORUBA	Founder	This is a mid-size farm located in a sub-urban area of Lagos. They breed cat fish and poultry. First Impression: Good layout; good location but Very busy farm!	The respondent is a well read and travelled man. The evidence of these can be seen in the way the farm was structured. Most things are in place. Training and man-power development are key on his agenda.	Overall impression: Good business; family centred- all their children are involved; well structured. His first child read Animal Science and he's working in a big animal feeds company in Lagos. This is for him to gather some experience before joining his parent's company in the nearest future.	15 years previous work experience: -research skills- also reading up journals and academic research -industry experience - zeal, passion and motivation	N/A	N/A	-it is handy, a nucleus business -can be handed over to the next generation -it provides a satisfaction that cannot be measured -it is sustainable	No response	When the next generation (your children) see the VALUES&SUCCESS of a family business, they find the required courage and motivation to grow with it.	Sustainability
13-01-2012 MALE YORUBA	Co-Founder	This is an unorthodox type of business. The company manufactures herbal mixtures that aids food digestion and acclaimed to be	The respondent works with his brothers. They have five employees working for them. He is the main decision	Overall impression: Good business; Good working relationship; Good display of product knowledge; Passion & Drive for the business to succeed.	5 years previous work experience: -business knowledge -herbal knowledge	N/A	N/A	-access to family funds -fewer policies -time flexibility	There is no formal organisational structure in most family businesses	-dedication to work -formal organisational structure -commitment to work	- favouritism -lack of understanding -lack of trust

		used as an alternative treatment for different ailments. First Impression: small space; good products display; good location	maker in the business. He is the largest single shareholder and the oldest out of the four brothers. According to him, there is a ready market for their products because people are more conscious of their health now and would prefer using natural products.		-production of herbal mixtures						
13-01-2012 FEMALE IGBO	Founder	First Impression: New business with a lot of family support; good location; spacious.	The respondent is young, dynamic, well- educated and fresh! Company is into the manufacturing of body cream, crème bath, toilet soap and liquid hand wash. Their products are well branded. The respondent works with her sisters while her husband keeps an eye on their finances.	Overall impression: adequate family support; business is new/young but with lots of potentials. Owners are well educated so are very open and receptive to each other's ideas.	4 years previous work experience: -business knowledge -administrative skills -accounting skills	-leveraging on contacts -access to finance -access to human resources	-longer time in decision making -profit has to be shared	-it gives me full control of my time and business -allows me to express my creativity	NFBs has a better succession plan -FBs however has a higher input of personal finance into the business -FBs are also structured for their owners to put in lots of their time and energy to grow the business on a long-term basis	-a proper structure -professionalism -a proper accounting system	-lack of financial discipline -lack of trust
15-01-2012 MALE YORUBA	Founder	First Impression: Good location for a factory; small production space; machineries in place	The runs a paint manufacturing company with his wife and son. Their products are all over major markets. They are considered to be highly competitive. My conversation with him revealed that most business decisions are taken by him. His wife is the office	Overall Impression: this is a thriving business; most business decisions are taken informally within the family. The company is 100% owned by the founder presently but the plan is to share this equally among himself, wife and three children in the nearest future.	5 years previous work experience: -accuracy of Chemical measurement -thorough mixture of raw materials -proper packaging required in the	N/A	N/A	No response	No response	No response	No response

			manager while his son is the Deputy Managing Director.		paint industry						
16-01-2012 MALE IGBO	Founder	First Impression: Small business; small factory space; good factory location; young business men.	The respondent runs this small manufacturing business with his brother and cousin. They produce cosmetics- nail polish, eye pencil and body cream. He is the main decision maker but he consults his brother and cousin before trying out any new product or launching their products at any market	The business is still relatively young so it is still in its initial growth phase. The three relatives (all men) appear to be highly opinionated. However, the respondent is a bit calmer (maybe he recognises what is at stake if he does not maintain their strong family bond). They value their relationship though from the mode of their conversation.	5 years previous work experience: -manufacturing quality products -packaging of cosmetic products -book keeping and administrative skills	N/A	N/A	-working with my family in this business provides me a high level of security -the presence of trust -my family members are willing to commit longer hours into the business than my other employees	No response	-employees' loyalty and trust -financial discipline -strong family values and culture	-lack of financial discipline -absence of trust
16-01-2012 FEMALE IGBO	Founder	This hair dressing salon is located in a busy residential area which is also very close to the high street. First Impression: mid-size salon; well equipped; sells assorted cosmetics, lady's cream and make-up.	The respondent oversees this salon business. Her husband helps out with the finances and also assists with their book keeping. Her sister is her manager. She pays her a competitive salary because of the level of trust she has in her.	Overall Impression: My conversation with the respondent revealed that the business started from her house with the help of her husband. It has grown and expanded immensely. She was very comfortable with channelling her energy into growing other aspects of the business because her sister's presence in the business gives her the opportunity.	5 years previous work experience: -business knowledge -selling skills -knowledge of setting up a Business	N/A	N/A	-I make use of my own time -I choose my own way of doing things -I am allowed to be creative in this FB	-decision making is easier in a family business -access to family finances is more common in a FB	-loyalty -trust -discipline	No access to bank funds.
17-01-2012 FEMALE IGBO	Founder	This company is also into the production of body cream, toilet soap and some basic make-up for women. First Impression: the company is	This is a very new business. It was set up by the Founder & his wife. It is mostly managed by his wife because her husband keeps a 2 nd job. They also have three of her	This is a family centred business. The couple works hard to see that this business grow beyond this initial growth phase. I see strong commitment and passion for the business.	8 years previous work experience: -technical know-how -product Knowledge -the knowledge of managing a	N/A	N/A	-independence -creating employment for both family and non-family members	No response	-good work ethics -financial discipline	-sourcing for finance -no privacy

		small in size; there is no appearance of any struggle- the machineries were well laid out.	husband's relatives working in the business. She says that business is growing gradually. Their products though new are of good quality and their intention is to gradually penetrate the market.		new business						
17-01-2012 MALE IGBO	Founder	This is a large store that sells: a wide range of personal care products and ladies cosmetics. First Impression: this store is located in a busy market in the sub-urban area of Lagos.	This company's is managed by the Founder, his wife, oldest son and two of his relatives. His other two children work at the store on a part-time basis. He created a sense of ownership in these relatives so that they can be fully committed to the business. This is a mainly trading business.	This business is on a steady growth path. It is very busy and the owners are committed to its growth.	25 years previous work experience: -how to produce a quality product -how to advertise the product -how to manage the workers	N/A	N/A	-the pride of being the owner -you will not be tired of doing it -opportunity to discover yourself -you have control of your time	No response	-financial discipline -proper management structure	-lack of finance -lack of professionalism -lack of privacy -lack of a proper management structure
18-01-2012 MALE IGBO	Co-Founder	This business is into the production of petroleum jelly used as personal care product amongst other uses. First Impression: Good product display; good factory location (sub-urban area of Lagos).	The respondent works with his wife and children in this thriving family business. According to him, the family works very well together.	This family business is mid-size. I met with the co-founder and majority share holder. He seemed focused and determined to make the family business succeed. His plan is to build a business that is sustainable and profitable. He wants to will the business over to his children.	7 years previous work experience: -selling skills -business knowledge -accountability	N/A	N/A	-family business ownership -future expansion without bureaucracy -it provides employment	No response	-good communication skills -financial discipline/prudency -clear goals	-lack of privacy -conflict and arguments
18-01-2012 MALE DELTA	Founder	This company manufactures paracetamol and cough syrup for	The respondent works with his son who is a licensed pharmacist. They	Overall, the business is viable and thriving. Family values are held as important to the	4 years previous work experience: -selling skills	N/A	N/A	No response	No response	No response	No response

(MINORITY)		local consumption. It is a small office space; environment is however warm and welcoming.	produce the two most popular drugs. He invested the highest amount of money into the business but he however makes most of his business decisions together with his oldest son, the pharmacist.	growth of the business.	-technical know-how -people's skills						
18-01-2012 MALE YORUBA	Co-Founder	This is another company that engages in the manufacture of cosmetics, body cream and toilet soaps. The factory is located at the back of this family's modest home in a sub-urban area of Lagos.	The company is owned by the respondent and his brothers. These three brothers work together in every area of the business.	The business owners are focused and seems well motivated towards growing the business	5 years previous work experience: -product knowledge -industry knowledge -selling skills	N/A	N/A	No response	No response	No response	No response
19-01-2012 MALE IGBO	Founder	This company does poultry and crop farming. They also sell chemicals. First impression: well spacious; good location; busy business. Company is located in a sub-urban area of Lagos.	This is a family centred business managed by the respondent and members of his nuclear family. The poultry business is managed by his wife and one of their children that studied Animal Science.	This is a very busy family business. They are involved in too many things but the good thing is that all the family members are involved in the business.	15 years previous work experience: -mechanised system of Agriculture -production of odour control, Izal, body perfume, bleach -improved garri and odourless fufu production	-it increases family income -generating employment -reduces poverty	-self financing -lacks due diligence -lack of needed fund	-opportunity to create employment -it encourages creativity in the next generation -it creates a sense of purpose in your children right from a tender age.	-decision making -financial structure	-financial discipline -professionalism -adopting clear policies for the company -integrating good work ethics into the day-to-day running of the family business	-having to work with difficult relatives -lack of trust -managerial issues -financing issues
19-01-2012 MALE YORUBA	Founder	This is a mid-size manufacturing company involved in producing paint; plastics and other packaging materials. First Impression: Spacious factory;	This company is managed by an elderly man and his immediate family. It has also provided employment from time to time for other relations. The respondent's	Overall, this company was very busy during my time of visit. It represented a typical family business.	25 years previous work experience: -product knowledge -technical know-how -administrative Skills	N/A	N/A	-one has control in decision making -one can put in more time into turning hobbies into profit making ventures	NFBs may not support idea generation and innovation -bureaucracy in NFBs makes decision making harder	-make provision for adequate finance for the business -the next generation must be well educated to take over the business -there must be loyalty to the business for it to grow	-the next generation may not be interested in the business -the owners may not want to create a succession

		Well-Staffed; Large equipment; Busy.	wife and two of their four children are fully involved in the business while the other two just put in part-time hours because they are involved in different careers.					-it provides the privilege of leaving a legacy for future generations			plan -Non- family employees may be feeling left-out or unheard.
20-01-2012 MALE YORUBA	Co-Founder	This is a mid-size trading store located in the heart of Lagos. First Impression: Almost all consumables are available in this store; major wholesaler; small space; plenty of staff	This business engages in selling beverages and daily consumables in a large wholesale market in Lagos. They buy directly from the manufacturers and enjoy credit lines from major manufacturers of these products.	This is a typical couple's business. The husband is the major decision maker while the wife handles selling and maintains good contacts with all their major buyers. They are not very clear whether any of their children would take over eventually because they are still very young.	5 years previous work experience: -apprenticeship -business knowledge -product knowledge	N/A	N/A	No response	No response	No response	No response
20-01-2012 MALE YORUBA	Co-Founder	This business is involved in the production of petroleum jelly. The production site occupies a small space behind the couple's house in the heart of Lagos.	According to him, this is a viable family business.	This is a typical husband and wife business. They seem to have equal influence over the business. The wife is very active and vocal. They have plans of expanding the business significantly in the next couple of years. They are looking forward to passing this business over to their children.	5 years previous work experience: -production methods -product knowledge -selling skills	N/A	N/A	-the opportunity to bring my dreams to pass -the sustainability of family business -the huge support we enjoy from our families -providing employment for both family and non-family	In FBs, most times, the start-up capital comes from within the family but NFBs mostly seek their start-up capital from financial institutions	-setting up a formal structure from the beginning -separating family funds from your business funds	-occasional family conflict -lack of understanding -feeling of insecurity especially if you are the youngest child.
20-01-2012 MALE IGBO	Co-Founder	This is a furniture making business located in another busy area of Lagos state. First Impression: located in an uncompleted building (typical of most furniture	This business was started by the respondent, his wife, and two brothers. His wife handles their book-keeping because she read accounting up to Ordinary Diploma Level at	This is another typical family business. The business is well managed; though the brothers read up to junior secondary school, the presence of the respondent's wife in the business provides the stability	10 years previous work experience: -apprenticeship -correct measurement of designs -managing Difficult Customers	N/A	N/A	No response	No response	No response	No response

		businesses); Good showroom at the front of the building; a few uniformed apprentices.	a polytechnic in Lagos. He and his two brothers are trained furniture makers. The respondent, being the oldest, holds majority stake in the business and also takes most of their business decisions.	the business requires.							
21-01-2012 MALE EDO STATE (MINORITY)	Founder	This is a trading store dealing in mobile phones and its accessories. First Impression: busy market; small space; small business; too many items scattered all over the shop	The business is owned and managed by the respondent. He sees it as a family business because the business belongs to himself, his wife and children. His wife works part time hours, mostly monitoring their cash till; she closes at 2pm to pick up the children from school. He also has two of his relatives working with him. His four non-family employees basically scout for buyers within the market.	Overall, the store is over-stocked with goods; they probably would need more space. The owner said he is committed to expanding, fingers crossed!	6 years previous work experience: -selling skills -product knowledge -managing a small business	N/A	N/A	No response	No response	No response	No response
21-01-2012 MALE DELTA STATE (MINORITY)	Founder	This couple runs a poultry farm. They breed and sell chickens and eggs on a mid-range scale. First impression: good location; small business but good lay out.	This is a husband and wife business. He gives his wife an equal opportunity to manage and take decisions within the business. They work very well together.	Overall, the business is well thought out and planned. The couple's zeal and passion to the business was obvious. They also displayed clear goals for the business' growth.	5 years Previous experience (gathered from another farm): -accounting Skills -marketing and selling skills -business organisation	N/A	N/A	-it fosters strong family bond -it provides an easier, informal and faster decision making process	No response	-financial discipline -loyalty to the business -commitment to the business	Unprofessionalism Favouritism

21-02-2012 MALE AKWA IBOM (MINORITY)	Founder	This is a mobile business. They have an office space in somewhere in Lagos. They work 6 days in a week. They have 10 employees (3 on part-time). First Impression: good reception area but small office space.	The respondent manages this fumigation business with the assistance of his wife and two cousins. They have a large clientele base due to the nature of the services that they provide.	This is a viable business. It is still growing. They have plans of opening branches outside Lagos.	4 years previous work experience: -financial planning -prudence -self-motivation	N/A	N/A	-I enjoy the freedom to be creative and innovatively serve my customers -my wife supports me by linking me up to her social network contacts -my wife also gives her time and skills to the business	NFBs has a bureaucratic decision making structure	-financial discipline -good work culture -the strength and backing of the family system must be recognised	-spending business funds for personal issues -lack of trust by non-family employees.
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APPENDIX 28: FAMILY INVOLVEMENT, DEFINITIONS AND FIRM PERFORMANCE

AUTHOR(S)	YEAR	COUNTRY	DEFINITION	CLASSIFICATION OF 'FB' DEFINITION	THEORETICAL ANGLE	JOURNAL /TYPE OF STUDY/ METHOD/SAMPLE SIZE	ANALYSIS/KEY FINDINGS	PERFORMANCE INDICATORS
Graves, C. & Thomas, J.	2008	Australia	Family business is one that is majority family owned and has at least one family member on the management team	Ownership; Management	Stage Model Theory	JOURNAL – Family Business Review TYPE OF STUDY- Case Study METHOD- Qualitative SAMPLE SIZE: 8 (*SME) MEDIATORS- Manufacturing sector; Size of employees; Sales turnover; Extent of internalisation; Ownership & Management	ANALYSIS: NVivo qualitative analysis FINDINGS: The findings of this study suggest that most SMFEs will follow a traditional pathway to internationalization, with the key determinants of the chosen pathway being the level of commitment toward internationalization, the financial resources available, and the ability to commit and use those financial resources to develop the required capabilities.	Internationalisation measured by: Level of commitment towards internalisation; Financial Resources
Maury, B.	2006	Austria; Belgium; Finland; France; Germany; Ireland; Italy; Norway; Portugal; Spain; Sweden; Switzerland; UK	Not clearly stated. A firm with family involvement especially in ownership dimension.	Ownership	Agency theory	JOURNAL- Journal of Corporate Finance TYPE OF STUDY- Empirical METHOD-Quantitative (Meta-analysis) SAMPLE SIZE- 1672 non-financial firms MEDIATORS- Family control; Family Ownership; Multiple block holder Control Variables: growth in net sales; capital expenditures; firm	ANALYSIS- Regression FINDINGS: Family-controlled firms perform better than firms controlled by other types of owners Active family owners deliver more profit Family firms have higher valuation when shareholder protection is high and vice versa	Tobin's q; ROA
Hamadi, M.	2010	Belgium	Family firms are ones in which there is a known link to the family of the founding owner(s) through a direct shareholding in the firm. The ultimate owner of the firm is a family	Ownership	Not stated	JOURNAL- European Management Review TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE- 145 Belgian firms (from 1991-96) MEDIATORS- 1 st largest shareholder; 2 nd largest shareholder; Size; Age; R&D; Debt; Financial fixed assets;	ANALYSIS: OLS Regression FINDINGS: In Belgian listed firms, the largest declared shareholder have a negative effect on firm performance In family firms, the largest shareholders have a positive effect on firm performance however, while controlling for shareholders grouped in *voting blocks the effect turns out to be negative Family firms were found to be	Tobin's q

							older than other types of firms which is to indicate that they are controlled by heirs rather than by founders. Age was found to be positively related to performance Firms related to *co-ordination centres also exhibited a higher performance than those not related to them	
Smith, B., and Amoako-Adu, B.	1999	Canada	Family firm is defined as a corporation in which a person or a group related by family ties holds the largest voting block with at least of 10% of the total votes and the president and/or CEO is a family member before the succession	Ownership; Management; Succession	Not stated	JOURNAL- Journal of Corporate Finance TYPE OF STUDY- Empirical METHOD - Quantitative (Meta-analysis) SAMPLE SIZE- 124 family controlled firms listed on the Toronto Stock Exchange from 1962-1996. 52-appointed family members successors 50-appointed non-family insider successors 22- appointed outsider successors MEDIATORS- Dependent variables: Family successor; Outsider successor Independent variables: Number of family members within senior management team; % of votes controlled by the family; Size.	ANALYSIS: Multinomial Logit Analysis; Kruskal Wallistest Statistics; Regression FINDINGS:- Family successors tend to be appointed at a younger age hence a negative stock market reaction (this might be due to perceived managerial inexperience) The operating performance of firms with non-family insider and outsider successors are significantly lower than the industry median but this improves after succession	Stock; ROA
Chrisman, J., Chua, J. & Steier, L.	2002	Canada	A business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition, controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (Chua et al., 1999)	Governance; Management; Ownership; Succession	“Culture Influences entrepreneur’s perception about the environment. This will in-turn influence their strategic choices and the performance of their ventures”	JOURNAL – Entrepreneurship Theory & Practice TYPE OF STUDY-Empirical METHOD- Quantitative (Questionnaires) SAMPLE SIZE- 3,619 *nascent entrepreneurs MEDIATORS- Independent variables: *Ethnicity; Nativity; Non-metropolitan; Geographical regions (East, South and North); Family business Control Variables: Industry; Strategic Planning Dependent Variables: Workforce	ANALYSIS- Regression *SPSS FINDINGS: Regional variables do not have any effect on initial size Non-metropolitan status does not have any impact on initial size Ethnicity does not have any impact on firm performance Nativity does not have any impact on firm performance Family involvement had a significant and positive relationship with initial size	Initial size of the firm.

						skills; Globalisation; Government regulations; Technology; access to Capital	Firm age had a positive and significant relationship with international sales Family ownership, inside directors' ownership, CEO duality and family generations in management were positively and significantly associated with international sales Family ownership was positive predictor of the number of countries entered Family ownership (FO) interaction with inside director's ownership, CEO duality and the involvement index was positive while the relationship with family board members and family generations in management were not significant	
Silva, F., & Majluf, N.	2007	Chile	A firm that is clearly controlled by one or more families with clear descendants	Governance; Succession	Not stated	JOURNAL- Journal of Business Research TYPE OF STUDY- Empirical METHOD-Quantitative SAMPLE SIZE- 331 firms 204 – family firms 127 – Non –family firms MEDIATORS- Family firm ownership concentration; Characteristics of family control Control variables: firm size; leverage; industry	ANALYSIS- Regression FINDINGS: Family ownership had a positive impact on performance when their voting rights concentration is low. Family firms performs much better when they are highly involved in management Family firms have more leverage than non-family firms Firm institutional relatedness has a positive correlation with performance	Tobin's q; ROA
Martinez, J., Stohr, B. & Quiroga, B.	2007	Chile	A firm whose ownership is clearly controlled (electing over half the board members) by a family, where family members participate as members in the board of directors and/or top management.	Ownership; Governance; Management	Not stated	JOURNAL-Family Business Review TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE: 175 (Data from Stock market 1995-2004) Comparative study of family firms(100) non-family firms (75) MEDIATORS- Industry; Firm size; Firm debt; Company age	ANALYSIS: Statistical analysis; Regression FINDINGS: Family-controlled firms performed significantly better than Non-family controlled firms	ROA; ROE; Proxy of Tobin's q

Bennedsen, M., Perez-Gonzalez, F. & Wolfenzon, D	2005	Denmark	Not specifically stated. Family firms are defined as those with the involvement of family members as CEO	Management	Not stated	WORKING PAPER- Copenhagen Business School TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE- 9,511 successions. Comparative study of family related successions (2,980) vs. non-family related successions (6,531) MEDIATORS- Firm age; Family size; Gender composition of children; Marital history of the family head; Identity of the family	ANALYSIS: Regression FINDINGS:- Family successions have a dramatic negative impact on firm performance around CEO successions. Professional non-family CEOs provide extremely valuable services to the organisations they work for.	Total book value of assets; *EBIT/the book value of assets; Net income/assets; *Industry adjusted EBIT to assets level
Rettab, B., Fakhr, T. & Morada, M. *Not Peered Reviewed	2005	Dubai	A family business is defined as one in which at least 51% of the shares are owned by one single *UAE family and at least one member of the management team is drawn from the family that owns the business	Ownership; Management	Not stated	Working Paper for Data Management and Research Department of *DCCI TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE- 56,374 companies registered with *DCCI Comparative study of family firms (30,769) vs. non-family firms (25,605) MEDIATORS- Family businesses; Non-Family businesses	ANALYSIS: Statistical analysis FINDINGS: Family businesses are smaller than non-family businesses in terms of size and contribution to employment Non-family businesses contribute higher turnover than family businesses in small, medium and large sized companies.	Employment; Turnover; Export; Sector
Barontini, R. & Caprio, L.	2006	European Countries (Belgium; Denmark; Finland; France; Germany; Italy; the Netherlands; Norway; Spain; Sweden & Switzerland)	Family business was described as one in which the family controls more than 51% of the direct voting rights within the business	Ownership	Not stated	JOURNAL- European Financial Management TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis of data from Worldscoop corporations) SAMPLE SIZE: 675 (Large publicly traded companies in Western Europe) Comparative study of family firms (314) vs. non-family firms (361) MEDIATORS- Ownership (direct voting right); Size and Composition of the board; Valuation of the firm; Industry; Firm size; Growth (Sales); Leverage	ANALYSIS: Regression FINDINGS: Family control has a high influence on performance in Western Europe Family Control has a higher influence on performance when the founder has an active role within the firm either as a CEO or non-executive director	Tobin's q; ROA
Jacquemin and	1980	France	No specific definition	Ownership;	*Mosen Downs-	JOURNAL- European Economic	ANALYSIS- Regression	Net cash Flow,

De Ghellinck			given however, family firms were separated from non-family firms based on 'family connection with the firm in terms of ownership, control and Management.	Governance/ Control; Management	Williamson Theory	Review TYPE OF STUDY- Empirical METHOD- Quantitative study (Meta-analysis) SAMPLE SIZE- 103 firms Comparative study of family (56) vs. non-family firms (47) MEDIATORS: Size; Industry; Profitability; Control	FINDINGS: Average size and profitability of family firms are not significantly different from nonfamily firms Control of large firms by wealthy families do not imply lack of efficiency and dynamism Large size has a significantly better impact on profitability when ownership is not separated from management.	Profit as a % of shareholder's equity
Sraer, D. & Themar, D.	2007	France	Family firms are ones in which the founder or a member of the founder's family is a controlling blockholder of the company. The company could either be founder-managed, heir-managed or professionally-managed	Ownership; Management	Not stated	JOURNAL- Journal of the European Economic Association (JEEA) TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE: 2,973 (Large publicly traded companies in Western Europe) Comparative study of family firms(2,109) vs. non-family firms (864) MEDIATORS- Firm size; Firm age; Capital structure; Total assets; Total sales; Employment; SOE	ANALYSIS: Statistical analysis; Regression FINDINGS: Family firms largely outperforms widely-held firms Family firms superior performance holds for the following: Founder-controlled family firms; Descendants-controlled family firms & Professionally-managed family firms	ROA; ROE; Market-to-Book; Sales growth; Dividend-to-Profit; Debt/Asset
Margaritis, D. & Psillaki, M.	2010	France	No specific definition given. Family firms were described as those owned and managed by a family.	Ownership; Management	Agency theory	JOURNAL- Journal of Banking and Finance TYPE OF STUDY- Empirical METHOD- Data Envelopment Analysis (DEA) SAMPLE SIZE: 6146 manufacturing firms observed from 2002-05 Comparative study of family firms (3,246) vs. non-family firms (2900) MEDIATORS- Profitability; Firm size; Tangibility; Intangibility; Sales growth; Ownership concentration; ownership; Industry	ANALYSIS: Regression FINDINGS: Family firms outperform non-family firms. FBs are more efficient and profitable than NFBs.	Productive Efficiency
Ehrhardt, O., Nowak, E., and Weber, F.	2006	Germany	Family firms are defined as one with the dominant influence of the founding family dominated by a voting right concentration of more than 50%	Ownership	Not stated	RESEARCH PAPER- Swiss Finance Institute Research Paper No. 06-13 TYPE OF STUDY- Empirical METHOD- Quantitative- (Meta-analysis-historical data); Qualitative (Interview)	ANALYSIS: Regression FINDINGS:- Family business outperforms non-family business in terms of operating performance (and not stock performance). Performance of family firms	ROA; Operations; Stock (public listings); Generations involved in the firm

						SAMPLE SIZE- 124 (data from firms over a 100 year period from 1903-2003) Comparative study of family firms (62) vs. non-family firms (62) MEDIATORS- Voting rights; Family manager; Founder manager; technology intensity; Location; Banking relationships	decreases through generations	
Andres, Christian	2008	Germany	Family firms are defined as one in which the founder and/or family members hold more than 25% of the voting shares or if the founding family owns less than 25% of the voting rights, they have to be represented on either the executive or supervisory board	Ownership	Not stated specifically but the study suggests Agency Theory	JOURNAL- Journal of Corporate Finance TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE- 275 exchange listed firms as at December 31, 1998. Comparative study of family firms (103) vs. non-family firms (172) MEDIATORS- Firm age; Employees; Family ownership; Founder CEO; Descendant CEO; Professional CEO Firm age; Employees; Family ownership; Founder CEO; Descendant CEO; Professional CEO	ANALYSIS: Regression FINDINGS:- Family firms are more profitable than widely-held firms. They also outperform companies with other types of blockholders It was observed that performance of family firms is only better in firms in which the founding family is still active either on the executive or supervisory board. Other *blockholders either affect firm performance adversely or have no detectable influence on performance measures	Total assets; Sales; Leverage; Return volatility (shares); Tobin's q; ROA.
Jaskiewicz, P. Gonzalez, V., Menezes, S. & Schiereck, D.	2005	Germany; Spain	Family firms are described as ones in which the family owns more than 25% of the firm; they also control the company and are represented in management	Ownership; Governance; Management	Familiness	JOURNAL- Family Business Review TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE: 196 (*IPOs of family firms in Germany -153 and Spain -43 from 1990 to 2000) MEDIATORS- Firm size; Firm age; Turnover; Market value; Industry	ANALYSIS: Regression FINDINGS: In both countries NFB's IPOs performed insignificantly better. This is positively correlated with company side effect In family businesses, strong family involvement has a strong positive impact on the long run stock market performance, whereas the age of the firm has a -ve influence	Company's Market valuation measured by stock price using Buy-and-Hold abnormal returns (BHAR)
Sindhuja, P.	2009	India	A firm is considered to be a family business when the chairman regards its company as being one and the founder serves as the chairman with a hired CEO.	Governance	Not stated	JOURNAL-Journal of Business Strategy TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE- Data obtained from *CMIE (from 1991-2007) MEDIATORS- Shareholder's	ANALYSIS: Regression FINDINGS: Non-family Managed Business (NFMB) creates a superior shareholder value than Family Managed Business (FMB) However, FMB has a higher net	Value creation (Tobin's q); Growth (Compound Annual Growth Rate); Profitability (ROA; RONW; ROCE; EPS; Profit

						value (Stock)	worth and growth in net assets than NFMB	margin; Networth; Sales turnover; D-E Ratio; NOPAT & Market Capitalisation); Risk
Bagchi, S.	2010	India	A firm in which the family has ownership and continues to have ownership stake; the family has seats on the board and the founding CEO is still the current CEO or a descendant of the CEO is the CEO (Anderson & Reeb, 2003)	Ownership; Governance; Management	Not stated	JOURNAL-Journal of Business Strategy TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE- 200 IT firms (from *CMIE : 2001-2008) MEDIATORS - % of promoters; Affiliation to a group	ANALYSIS: Regression FINDINGS: There is a positive relationship between the % of promoter holding and firm performance but no relationship exist for affiliation to a group. The study concludes that family-managed businesses perform better than professionally managed ones	ROCE;*RONW; Tobin's q
Lauterbach and Vaninsky	1999	Israel	Family firms was described as one owned and managed by closely related group of individuals belonging to the same family or cooperating in business for lengthy periods, They also share the profit amongst themselves	Ownership; Management	Not stated	JOURNAL- Journal of Management & Governance TYPE OF STUDY- Empirical METHOD-Quantitative study (Meta-analysis) SAMPLE SIZE- 280 public firms trading on Tel-Aviv Stock Exchange (TASE) in 1994 ¹ Comparative study of family firms vs. non-family firms MEDIATORS- Total assets; CEO and top management compensation; Leverage	ANALYSIS: *Data Envelopment Analysis (DEA) FINDINGS: Family firms with owner managers had the poorest performance Non-owner managed firms perform better than owner-managed firms	Net income
Sciascia and Mazzola	2008	Italy	Authors did not particularly define family business. They viewed family business as a firm with family involvement in ownership and management	Ownership; Management	Not stated	JOURNAL- Family Business Review TYPE OF STUDY- Empirical METHOD- Quantitative (Questionnaire) SAMPLE SIZE- 620 privately held non-listed family firms MEDIATORS- Dependent variable: Performance Independent variables: Family involvement in ownership (FIO) & Family involvement in management (FIM)	ANALYSIS- Regression FINDINGS: No correlation between *FIO and performance A negative and significant association between *FIM and performance	Sales; revenue; net profit; return on net asset; reduction of debt/equity ratio; return on equity; dividends
Cucculelli, Marco and Micucci	2008	Italy	Not clearly stated however, family business was defined as one in which the	Ownership; Succession	Not stated	JOURNAL- Journal of Corporate Finance TYPE OF STUDY- Empirical METHOD-Quantitative (Data	ANALYSIS: Regression FINDINGS: Inherited management within a family firm negatively affects	ROA; ROS

			founder family is actively involved and it has the intention of passing the firm on to the next generation.			analysis) SAMPLE SIZE- 229 Manufacturing firms Comparative study of family firms (177) vs. non-family firms (52) MEDIATORS- Size; Sales; Total assets; post succession heir managed companies; post succession unrelated managed firms	firm performance (this decrease in performance was concentrated among founders-run companies that outperformed sectoral average profitability before succession took place)	
Prencipe, A., Markarian, G. & Pozza, L.	2008	Italy	Family firms are those in which one or more families is linked by kinship, close affinity, or solid alliances and holds a sufficiently large share of risks capital to enable members to make decisions regarding strategic management	Governance	Agency Theory; Stewardship Theory	JOURNAL- Family Business Review TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE- 129 public-listed firms Comparative study of family firms (69) vs. non-family firms (60) MEDIATORS- R&D Capitalisation level; Total assets; Total expenditure on R&D; Profitability; Leverage; Firm size; Market-to-book (M-B) ratio; Independent directors	ANALYSIS: Regression FINDINGS: Family firms are less sensitive than non-family firms to short-term market fluctuations Family firms (and not non-family firms) use R&D capitalisation to avoid violations of covenants in order to reduce the risk of losing control of the firm and to protect their reputation in their long-term relationships with their lenders	ROA
Minichilli, Corbetta & MacMillan	2010	Italy	A firm in which a family has strong control possessing power to appoint board of directors both directly and through financial holdings.	Governance	Familiness	JOURNAL- Journal of Management Studies TYPE OF STUDY- Empirical METHOD- Quantitative (Questionnaires, comparative study between listed and non-listed companies) SAMPLE SIZE- 500 industrial family firms MEDIATORS- Dependent variable: firm's Return on Assets (ROA) Independent variables: *Presence of a Family CEO; *TMT Family Ratio; *Listing of the firm Control variables: Firm size; TMT size; CEO tenure	ANALYSIS- Hierarchical Multiple Regression FINDINGS: Presence of a family CEO has a positive impact on firm performance There is no correlation between the ratio of family members in *TMT and performance of the firm The tenure of the CEO is negatively correlated with firm performance Firm size is positively correlated with firm performance *TMT size does not have any impact on ROA	Return on Asset (ROA)

Saito, T.	2008	Japan	Family firm is defined as one in which the founder or his descendant is a president or chairman and/or the founding family is the largest shareholder in the firm	Ownership; Governance	Not stated	JOURNAL- Journal of Japanese and International Economics TYPE OF STUDY-Empirical METHOD-Quantitative (Cross-sectional data analysis) SAMPLE SIZE- 1818 firms 697 – family firms 1121 – Non –family firms MEDIATORS- Family firm; Family ownership; family management; Founder management descendent Control variables: Assets; Leverage; related Firm	ANALYSIS- Regression FINDINGS: Family firms with active founders had better performance than non-family firms	Tobin's q; ROA; Number of –ve profit
Allouche, J., Amann, B., Jaussaud, J. & Kurashina, T.	2008	Japan	Family business was defined (according to Kurashina, 2003) based on the share of capital in the hands of the family and the involvement of family members in managing the firm	Ownership; Management	Agency theory	JOURNAL- Family Business Review TYPE OF STUDY- Empirical METHOD- Quantitative SAMPLE SIZE- 243 pairs of family and non-family companies MEDIATORS-Family control (measured by Management position; Shareholding); Performance; Financial Structure	ANALYSIS: Matched-Pairs Analysis FINDINGS: Family businesses in Japan achieve better performance than Nonfamily businesses, for both profitability and financial structures Level of family control in a business strongly influences performance in terms of profitability.	ROA; ROE; ROIC; Total debts/Total capital; Long-term debt/Total capital; Current ratios; Quick ratio
Abdellatif, M., Amann, B. & Jaussaud, J.	2010	Japan	A firm in which family members hold management positions, are members of the board of directors and are main shareholders	Management; Governance; Ownership	Stewardship theory; Stagnation Theory	JOURNAL- Journal of Family Business Strategy TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE: 759 subsidiaries of Japanese listed companies Comparative study of family firms vs. non-family firms MEDIATORS- Risk Aversion; Expatriation polices; Nature of subsidiaries abroad Ownership; Management;	ANALYSIS: Chi-Square test FINDINGS: The positive effect of family influence is more pronounced when family members also participate in the management of the business	Risk aversion
Amran, A., and Ahmad, A.	2010	Malaysia	A firm in which the family has ownership and continues to have ownership stake; the family has seats on the board and the founding CEO is still the current	Ownership; Governance; Management	Not stated	JOURNAL- Journal of Modern Accounting and Auditing TYPE OF STUDY-Empirical METHOD-Quantitative (Data analysis) SAMPLE SIZE- 328 companies (A total of 1640 companies were	ANALYSIS: Pooled Regression Model Analysis FINDINGS: Family firms significantly perform better than non-family firms Non-Family firms prefer to	Tobin's q; ROA; *OCF

			CEO or a descendant of the CEO is the CEO.			examined over a 5-year period) Comparative study of family firms vs. non-family firms MEDIATORS- Family firms; Non-family firms; Meetings; Leadership; Firm age; Firm size	finance the business with debt and they have a higher firm size than family firms	
Randoy, T., Goel, S.	2003	Norway	Founding family firm was defined as corporations in which the founder is the leader of the firm	Ownership; Management	Agency theory	JOURNAL- Journal of Business Venturing TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE- 68 MEDIATORS- Dependent variables: Market value; ROA's percentage Independent variable: Board and inside ownership; Blockholder; Foreign ownership; Asset tangibility; firm age; sales; market capitalization; founder and family ownership Control variables: asset tangibility; debt ratio; firm size; firm age; industry	ANALYSIS: OLS Regression FINDINGS:- Non-founder firms benefit from greater monitoring and significant foreign ownership. This often lead the firm to distinct genuine entrepreneurial opportunities A high level of board and insider ownership has a positive impact on firm performance in founder led family firms but a negative performance effect on non-founder firms.	Market-to-book ratio; Tobin's q; ROA
Barth, E., Gulbrandsen, T., and Schone, P.	2005	Norway	Family business was not specifically defined. However, the study classified family firms as those with a minimum of 33% shares owned by an individual or a single family.	Ownership	Not stated	JOURNAL- Journal of Corporate Finance TYPE OF STUDY- Empirical METHOD- Quantitative study (Meta-analysis) SAMPLE SIZE- 438 (firms associated with Norwegian Business and Industry) Comparative study of family firms (220) vs. non-family firms (218) MEDIATORS- Value added; Number of employees; Capital (sum of equity and debt) Control variables: Information on Industry; Stock exchange affiliation	ANALYSIS: Regression FINDINGS:- Family-owned firms are less productive than non-family firms. Family-owned firms managed by a manager from outside the owner family are equally as productive as non-family firms and vice versa	Total Factor Productivity (TFP)
Naldi, L., Nordqvist, M., Sjoberg, K. &	2007	Sweden	Family firms was defined as a business where one family group	Governance; Ownership; Management	Not stated	JOURNAL- Family Business Review TYPE OF STUDY- Empirical	ANALYSIS: Regression FINDINGS: Risk taking is a distinct	Entrepreneurial Orientation; Profit; Sales growth;

Wiklund, J.			controls the company through a clear majority of the ordinary voting shares, the family is represented on the management team, and the leading representative of the family perceives the business to be a family firm			METHOD- Quantitative (Survey) SAMPLE SIZE: 696 (SMEs) Comparative study of family firms(265) vs. non-family firms (431) MEDIATORS- Past performance; Environmental heterogeneity; Industry; Firm age; Firm size; Independence;	dimension of entrepreneurial orientation in family firms. FBs take risk to a lesser extent than nonfamily firms. However, risk taking in family firms was found to be –vely related to performance.	Cashflow; Growth of net worth
Zellweger, T. & Nason, R.	2008	Switzerland	Family firm was defined as a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (Chua et.al 1999)	Governance; Management; Succession	Stakeholder theory	JOURNAL- Family Business Review TYPE OF STUDY- Theoretical (Conceptual) METHOD- A model was developed to examine performance relationship: *Overlapping; *Causal; *Trade-off; *Synergistic SAMPLE- Family firms MEDIATORS- family; Individuals; Organisation; Society	ANALYSIS: Stakeholder unit of analysis FINDINGS: Family firms exhibit innate incentive to satisfy the demands of multiple stakeholders Making use of overlapping and causal relationships increases the organisational effectiveness of family firms	Income; Reputation; Philanthropy; Tax relief; Perks; Pride
Leenders and Waarts	2003	The Netherlands	A firm which has ownership and /or management concentrated within a family	Ownership; Management	Not stated	JOURNAL- European Management Journal TYPE OF STUDY- Empirical METHODS- Quantitative: Cross sectional survey using questionnaires: n = 220 and Qualitative: In-depth case studies: n = 24 SAMPLE SIZE- Quantitative (220) & Qualitative (24) MEDIATORS- Business Orientation; Family Orientation	ANALYSIS- Confirmatory factor analysis FINDINGS: Using a score scale of 1 to 5. Companies with strong family and business orientations scored high in the following: trust, social control, management control and employee motivation but low on conflict resolution, atmosphere and continuity; Companies with high family orientation and low business orientation scored lowest in continuity but high on all other performance indicators; Family orientation and business orientation are independent of each other	Trust; social control; employee motivation; management control; conflict resolution; continuity; private life; atmosphere;

Westhead, P. & Cowling, M.	1997	UK	More than 50 per cent of voting shares are owned by a single family group related by blood or marriage and the company is perceived by the respondent to be a family business	Ownership	Not stated	JOURNAL- Int. Journal of Entrepreneurial Behaviour & Research TYPE OF STUDY- Empirical METHOD- Quantitative (Questionnaires; Matched-Pair Analysis) SAMPLE SIZE: 146 (73 pairs of FB & NFB unquoted companies in the UK) Comparative study of family firms(73) vs. non-family firms (73) MEDIATORS- Industry; Location (rural/urban); Location (by region); Location (by assisted/non-assisted area); Business age	ANALYSIS: Statistical analysis (Standard Industrial Classification-SIC; Student's T & Chi-square tests) FINDINGS: FBs were found to be significantly older than NFBs There are no significant differences between FBs and NFBs in terms of performance and ambition	Employment; Sales revenue (size & growth); Productivity; Profitability; The propensity to export
Westhead, P. & Howorth, C.	2006	UK	Family firm was defined as one with more than 50% ordinary voting shares owned by members of the largest single family group related by blood or marriage and the company was perceived by the CEO/Managing Director/Chairman to be a family business.	Ownership	Agency Theory; Stewardship Theory	JOURNAL- Family Business Review TYPE OF STUDY- Empirical METHOD- Quantitative (Questionnaires) SAMPLE SIZE- 427 public-listed firms MEDIATORS-Firm age; Firm location (urban or rural)	ANALYSIS: Regression FINDINGS: Management structure and not ownership structure of a family firm was associated with selected firm performance indicators and nonfinancial company objectives Family ownership and Management does not weaken firm performance However, some evidence from the research suggest that a larger team of directors and managers were significantly associated with higher levels of absolute growth in sales revenue Multi-generation firms were not found to report any significantly poorer performance.	Gross Sales Revenue; Number of Employees; Exported Sales; Total Gross Exported Sales as a % of Total Gross Sales; Weighted Average Performance Score; Profit margin
Wang, Y., Ahmed, P. & Farquhar, S.	2007	UK	Firms that have two or more directors sharing the same surname were referred to as family firms	Governance	Agency theory	JOURNAL- Journal of Entrepreneurship TYPE OF STUDY- Empirical METHOD- Quantitative (Questionnaires) SAMPLE SIZE- 169 companies registered with *DCCI MEDIATORS- Generation control; Sectoral distribution; Size of business	ANALYSIS: Statistical analysis FINDINGS: *FCBs are more competitive on profitability ratios and employment growth than DCBs	a. Profitability ratios (Profit margin; *ROCE; *ROSE; *ROTA); b. Growth ratios(Sales growth; Profit growth); c.Efficiency ratios (Employment

								growth; Employee profitability; Fixed asset turnover)
Hillier, D. & McColgan, P.	2009	UK	A family business is described as one who has a family CEO. Family CEO is identified as follows (i) explicitly described in the annual report or news sources as being the founder or a descendant of the founder; (ii) where the CEO shares their surname with the company; or (iii) where the CEO shares their surname with another member of the company's board of directors	Ownership; Management		JOURNAL-Journal of Business Finance & Accounting TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE- 545 listed firms on *LSE (from 1992-98) MEDIATORS-CEO ownership; Board ownership; Firm age; Leverage; Firm size; Equity issue	ANALYSIS: Regression FINDINGS: Shareholders benefit at the time when an incumbent family CEO steps down from their position	ROA; EBIT; *IROA; OROA; EBITDA
Morck, R., Shleifer, A. & Vishny, R.	1988	US	Family firms were described in terms of firms owned by family members	Ownership	Descriptive study	JOURNAL- Journal of Financial Economics TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE: 371 (Family firms) MEDIATORS- Board ownership; R&D expenditures; Advertising expenditures; Long-term debt; Size; Industry; Founder; Firm age	ANALYSIS: Regression FINDINGS: The presence of a founder in an older firm has a -ve impact on performance even after controlling for ownership However, the study suggest that founders might be important to the growth of younger firms Higher board ownership also correlates -velywith firm performance	Market value (measured by Tobin's q); Profit rate
Chaganti and Damanpour	1991	US	No specific definition given however, family firms were identified based on % of stock held by family members	Ownership	Not stated	JOURNAL- Strategic Management Journal TYPE OF STUDY- Empirical METHOD-Quantitative study (Meta-analysis) SAMPLE SIZE- 80 manufacturing firms Comparative study of (40) firms with high Institutional investor vs.	ANALYSIS- Hierarchical Multiple Regression FINDINGS: Family ownership do not moderate any of the performance outcomes Family ownership tend to increase the debt-capital ratio while outside institutions tend to lower it	ROA; ROE; Price-Earnings Ratio; % of total stock returns

						investors MEDIATORS: Independent variable: Ownership structure Dependent variables: Capital Structure and Performance	On the average, groups with outside institutional investors has a higher statistically significant ROE	
Morris, M., Williams, R., & Avila, R.	1997	US	Family business is defined as one in which ownership and policymaking is dominated by members of an emotional kinship group.”	Ownership; Governance	Not stated	JOURNAL – Journal of Business Venturing TYPE OF STUDY - Empirical METHOD-Quantitative (Cross sectional survey-Mail) SAMPLE SIZE- 209 family firms MEDIATORS:- Smoothness of transition; Profit; Affable; Trust; Tax efficiency	ANALYSIS- Regression; Structural Equation FINDINGS: Post-transition performance is positively affected by the educational level of the heirs and the extent to which heirs work their way up through the ranks The dominant variable in successful business transitions are family relationships There is no correlation between the nature of transition and post-transition performance Tax planning had a negative correlation on subsequent financial performance	Sales; Profit; Cash flow;
McConaughy, Walker, Henderson & Mishra	1998	US	Founding family controlled firms (FFCF) are defined as public corporations whose *CEOs are either the founder or a member of the founder’s family	Ownership; Management	Agency	JOURNAL – Review of Financial Economics TYPE OF STUDY- Empirical (Meta-analysis) METHOD - Quantitative study SAMPLE SIZE- 219 public firms Comparative study of family firms vs. non-family firms MEDIATORS- Size, Industry and Managerial Ownership. Variables used for Multivariate Analysis are: Founder; Descendant; ROA; and Investment opportunity	ANALYSIS- Univariate analysis; Multivariate analysis using regression FINDINGS: In comparisons with NFFCF, FFCF experience better market returns on stock; they sell for a significantly higher Market-to-Book Equity (ME/BE) premium; their sales growth is higher and they are generally more efficient than their NFFCF counterparts. Comparing Descendant-Controlled Firms (DCF) with Founders-Controlled Firms (FCF), ‘DCF’ are more efficiently run; they generate higher sales growth rates, sales per employee and cash flow per employee.	Firm value and returns; Market-to-Book Equity ratio (ME/BE); Stock returns; Accounting ratios; Sales per employee; Cash flow per employee; Gross profit margin; Net profit margin; Total asset turnover; Sales growth; Research & Development as a proportion of Sales growth; Depreciation as % of Sales growth; Capital expenditure as a % of Sales growth; Price-Earnings

Schulze, W., Lubatkin, M., Dino, R. & Buchholtz, A.	2001	US	Family firms were described along (Litz's 1995) definition; those with active family involvement in management and the intention to retain future ownership of the firm within the family	Ownership; Management; Succession	Agency Theory	JOURNAL- Organization Science TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis; Questionnaires) SAMPLE SIZE: 1.376 (Family firms from The Anderson Centre for Family Business) MEDIATORS- Pay incentives; Strategic Planning; CEO Tenure; CEO age; Average board tenure; Outside Board member; Share transfer intention; Family ownership; Number of employed family members; Dividends; Firm Size; Age; Technological intensity; Export sales; Capital intensity; Industry growth rate; Multiple family ownership; Ownership goal	ANALYSIS: Regression FINDINGS: Private ownership, owner-management and family do not eliminate the agency costs of ownership	ratio Sales; Growth
Zahra, S.	2003	US	Family business is defined as a firm that has some identifiable ownership share by at least one family and multiple generations in leadership position within the firm	Ownership; Succession; Management	Altruism	JOURNAL- Journal of Business Venturing TYPE OF STUDY- Empirical METHOD- Quantitative (Mail Survey) SAMPLE SIZE- 409 manufacturing family and non-family firms (Family firms- 174 & non-family firms – 235) MEDIATORS- Independent variables: family ownership and family involvement Control variables: firm age; firm size; family vs. non-family status; industry type; CEO tenure; past performance and non-financial motivations to internationalise Dependent variables: The percentage of sales generated from international markets; geographic scope of internationalisation (number of countries in which the family firm sold its products)	ANALYSIS- Regression FINDINGS: Non-family firms outperform family firms in international sales levels and the number of foreign countries entered Ownership is a significant variable in determining degree and geographic scope of internationalisation; family ownership and involvement interact positively and significantly to influence internationalisation	The percentage of sales generated from international markets; geographic scope of internationalisation (number of countries in which the family firm sold its products); Return on Equity (ROE)
Anderson, R., & Reeb, D.	2003	US	A firm in which the family has ownership and continues to have	Ownership; Governance; Management	Not stated	JOURNAL- Journal of Finance TYPE OF STUDY- Empirical METHOD-Quantitative study	ANALYSIS- Regression FINDINGS: Family firms perform better than	Tobin's q; ROA; ROE

			ownership stake; the family has seats on the board and the founding CEO is still the current CEO or a descendant of the CEO is the CEO.			(meta-analysis) SAMPLE SIZE- 403 nonutility/nonbanking firms (from 1992-1999). Data source: Standard and Poor's 500 firms MEDIATORS- Industry Characteristics; Firm Characteristics Control Variables: Firm size; growth; firm risk; debt; firm age	non-family firms	
Olson, P., Zuiker, V., Danes, S., Stafford, K., Heck, R. & Duncan, K.	2003	US	Family business was defined as one that is owned and managed by one or more family members	Ownership; Management	Sustainability Family Business (SFB) Theory	JOURNAL- Journal of Business Venturing TYPE OF STUDY- Empirical METHOD- Qualitative (Interviews) SAMPLE SIZE: 673 (Family firms data from *NFBP in 1997) MEDIATORS- Gender; Business assets; Number of non-family employees; Age of business; Sole proprietorship; Home-based; Location; Financial Management; Personnel Management; Family employees; Family size; Family structure; Family tension;	ANALYSIS: Regression; SPSS FINDINGS: The effect of the family on business ventures is significant Single generation families (those with no children in the household) has lower business revenue than those with two or three generations Business productivity declines in the presence of family tension	Gross business revenue; Perceived success; Family business income; Functional integrity of the family
Lee, Jim	2004	US	Family business was broadly defined as a firm in which a family has either significant ownership or management control. Classification of family firms done using three criteria: 1. a single family controlling the firm's ownership; 2. the controlling family members are active in top management and 3. the family was in the firm for at least two generations	Ownership; Management; Succession	Altruism	JOURNAL- SAM Advanced Management Journal TYPE OF STUDY- Empirical METHOD-Quantitative study (Meta-analysis) SAMPLE SIZE- 63 large public family firms Comparative study of 63 family firms with their industry pairs MEDIATORS- Variables: Size and Market Competition	ANALYSIS- Univariate analysis:- using descriptive Statistics (mean, median, standard deviation) FINDINGS: Family ownership and control tend to increase firm efficiency thereby promoting higher returns on investment.	Profitability; Operations; Financial indices
Zahra, S. A., Hayton, J. C.,	2004	US	A business which has the presence of both a	Ownership; Management;	RBV	JOURNAL- Entrepreneurship Theory & Practice	ANALYSIS: Hierarchical Regression	ROA

& Salvato, C			family member with some identifiable share of ownership of the firm and multiple generations of family members in leadership positions within the firm	Succession		TYPE OF STUDY- Empirical METHOD- Quantitative (Mail Survey) SAMPLE SIZE- 536 firms Comparative study of family firms vs. non-family firms MEDIATORS- Corporate Entrepreneurship; Individual Orientation; External Orientation; Decentralization; Financial Control; Strategic Control; Company Size; Company Age; Liquidity; Past performance; Industry type- (low vs. high technology)	FINDINGS: Overall, Culture was found to interact more with entrepreneurship in family firms than in non-family firms thereby promoting stronger performance in the former. Family involvement in a business generates more competitive advantages for family firms.	
Chrisman, J., Chua, J. & Litz, R.	2004	US	A business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition, controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (Chua et al., 1999)	Governance; Management; Ownership; Succession	Agency Theory	JOURNAL- Entrepreneurship Theory & Practice TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis; Questionnaires) SAMPLE SIZE: 1,141 (Data from *SBDC) Comparative study of family firms(901) vs. non-family firms (240) MEDIATORS- Firm Size; Firm Age; Industry; Family Involvement; Presence of a BOD/Propensity to engage in Strategic Planning; % of business owned by members of the family; Number of family members involved in managing the business; Succession	ANALYSIS- SPSS; Regression FINDINGS: Family involvement, independent of the effects of agency costs and control mechanisms has no impact on performance Strategic Planning enhances the performance of both FB and NFB NFB that conduct strategic planning appear to derive greater benefits from the process than FB	Economic goals; Non-economic goals; Short-term Sales growth
Wang, Dechun	2006	US	Founding family ownership refers to firms with substantial common stock held by family members actively involved in the management or 'Board of Directors' of the firm.	Ownership; Management; Governance	'Entrenchment effect' and 'Alignment effect'	JOURNAL- Journal of Accounting Research TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE- 3,456 firms in regulated industries (Data collected from S & P from 1994-2002) Comparative study of family firms (1,367) vs. non-family firms (2,089) MEDIATORS- Family ownership; Founder CEO;	ANALYSIS: Regression FINDINGS:- Founding family ownership is significantly associated with higher earning quality Family firms have greater incentives to opportunistically manage reported earnings than nonfamily firms	ROA; Size; Market-to-book ratio; Growth; Age; Net income/loss

						Hired CEO; Institutional ownership; Non-family insider ownership		
Zahra, S.	2005	US	No specific definition given. Family firms were described in terms of ownership and management	Ownership; Management	Agency theory	JOURNAL- Family Business Review TYPE OF STUDY- Empirical METHOD- Quantitative (Questionnaires) SAMPLE SIZE- 209 manufacturing family firms MEDIATORS- Firm size; Firm age; Industry growth; Past performance; Entrepreneurial risk taking (measures are -Use of domestic alliances; Use of foreign technologies; Product innovation & introduction; Entering of domestic markets; Entering new foreign markets)	ANALYSIS: Statistical analysis FINDINGS: Duality of roles as founder and CEO does not affect entrepreneurial risk taking in family firms The length of a CEO's tenure is -vely associated with entrepreneurial risk taking Family ownership is important for understanding entrepreneurial risk taking The higher the number of generations from the same owner family that are active in the company, the higher the firm's focus on innovation	ROA
Villalonga, B., and Amit, R.	2006	US	Family business was defined as those in which the founder or a member of his family by either blood or marriage is an officer, director, or blockholder, either individually or as a group	Ownership; Management	Agency Theory	JOURNAL- Journal of Financial Economics TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE- 508 (Firms listed on Fortune 500 from 1994-2000) Comparative study of family firms (193) vs. non-family firms (336) MEDIATORS- Family firm; Founder; Firm age; Family ownership stake; Control-enhancing mechanisms; Family vote-holdings in excess of shares owned; Government index; Non-family blockholder ownership; Non-family outside directors; *Market risk; *Idiosyncratic risk; Diversification	ANALYSIS: *OLS Regression FINDINGS:- The measurement of the value of family firms above non-family firms depend on how 'ownership', 'control' and management enter into the definition of family firms. Family management add value when the founder serve as the CEO of the family firm or as its chairman with a non-family CEO Family management destroys value when descendants serve as chairman or CEO Control-enhancing mechanism will have a mild positive impact on value in descendant-CEO firms	Tobin's q; *Industry adjusted q; ROA
Perez-Gonzalez	2006	US	Family firms were described as those with evidence of family ownership and	Ownership; Governance; Succession	Not stated	JOURNAL- American Economic Review TYPE OF STUDY- Empirical METHOD-Quantitative study	ANALYSIS: Event-study analysis; Regression FINDINGS:- Firms promote CEOs based on	*ROA; Net income-to-assets; Market-to-book (M-B) ratios;

			<p>succession Specifically, categorisation was done based on the following:</p> <ol style="list-style-type: none"> 1. An individual has at 5% ownership 2. Two or more individuals are relate by blood or marriage as directors, officers and shareholders 3. A management change in terms of succession must have occurred. 			<p>SAMPLE SIZE- 335 publicly traded US corporations Comparative study of family firms (122) vs. non-family firms (213) COMPUSTAT in 1994 MEDIATORS- Firm market value; Industry; Performance; Number of CEO transitions; Ownership composition; Board composition</p>	<p>family ties rather than on merit Firms that appoint family CEOs underperform significantly relative to firms that promote unrelated CEOs Within family firms, firms with a family CEO who do not attend a selective college (this occurred in 54 cases out of 122 family firms) underperform relative to those that do.</p>	<p>Research & Development spending to asset ratio</p>
Craig, J. & Dibrell, C.	2006	US	<p>Family firm was defined as a business and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (Chua et al., 1999).</p>	<p>Governance; Management; Ownership; Succession</p>	<p>Stewardship Theory</p>	<p>JOURNAL- Family Business Review TYPE OF STUDY- Empirical METHOD- Quantitative (Mail- Survey) SAMPLE SIZE- 396 Small-to-Medium Sized Firms Comparative study of family firms (217) vs. non-family firms (179) MEDIATORS- Firm Natural Environmental Policy; Firm Innovation; Firm Performance; Industry; Firm Lifecycle; Firm Size</p>	<p>ANALYSIS: Regression FINDINGS: Family firms are able to facilitate environmentally friendly firm policies associated with improved firm innovation and greater financial performance more effectively than their non-family firms' counterparts.</p>	<p>ROA; ROS; Sales Growth; Employment Growth; Market Share Growth.</p>
Lee, Jim	2006	US	<p>A family firm is defined as one in which the founding family or descendants hold shares or if they are present on the board of directors</p>	<p>Ownership; Governance</p>	<p>Not stated</p>	<p>JOURNAL- Family Business Review TYPE OF STUDY- Empirical METHOD- Quantitative (Meta-analysis) SAMPLE SIZE- 403 S&P 500 firms from 1992-2002 (Excluding Banks & Public Utilities) Comparative study of family firms</p>	<p>ANALYSIS: Regression FINDINGS: Family firms experience higher employment and revenue growth over time and are more profitable Firm performance also improves when founding family members are involved in management and</p>	<p>Employment; Revenues; Income; Profit Margin</p>

						(141) vs. non-family firms (262) MEDIATORS- of stock holdings by founding family; Descendants serving on the Board; Firm's total assets (firm size); Ratio of capital expenditures over gross revenues (firm growth); Firm age	are not just mere owners Founding families play an important role in maintaining employment stability during temporary market downturns	
Miller, D. & Le Breton-Miller, I.	2006	US	Family business means a business partly owned by one or more family members who together control at least 20% of the total assets outstanding	Ownership	Agency Theory; Stewardship Theory	JOURNAL- Family Business Review TYPE OF STUDY- Theoretical METHOD- Literature Review SAMPLE – Family Businesses MEDIATORS- Ownership concentration; CEO tenure; Long-term investments; Tacit knowledge preservation; Corporate culture	ANALYSIS: Conceptualisation FINDINGS: The involvement of multiple generations of family in a business has some advantages (e.g. development of tacit knowledge). However, negative factors emerge as the generation progresses. Family controlled businesses do best when they take advantage of the potentials for lower agency costs and elicits attitudes of stewardship among leaders and majority owners	Agency cost; Stewardship attitude; Distinctive capabilities; Financial returns; Longevity
Miller, D., Le Breton-Miller, Lester, R., & Cannella, A.	2007	US	Family firm is defined as one with multiple members of the same family involved as major owners or managers either contemporaneously or over time	Ownership; Management	Not stated	JOURNAL- Journal of Corporate Finance TYPE OF STUDY- Empirical METHOD- Quantitative (Cross sectional data analysis) SAMPLE SIZE- 896 fortune 1000 companies 100 smaller public US companies MEDIATORS- Family firm; Family firm (1 st & 2 nd generations); Lone founder firm; Combined firms; Largest owner; Shares owned; *Tobin's q; Research & Development; Advertising; Investment; Sales growth; Firm age; Firm size	ANALYSIS- Regression FINDINGS: Tobin's q is much higher in lone-founder's businesses than in family businesses When family and lone-founder classifications are combined, the aggregate group does not appear to manifest superior market valuations Superior performance holds for lone-founder businesses than in other categories	Research & Development (R&D); Firm size; Firm age; Investment; Sales; Debt/Market value of equity; Outside blockholders; Shares; *Tobin's q
Danes, S., Stafford, K. & Teik-Cheok Loy, J.	2007	US	Family business defined as: the owner perceive their business to be a family business at least one family member is a major decision maker; at least one family member is	Governance; Ownership; Family employee; Succession	Sustainable Family Business (SFB) Theory	JOURNAL- Journal of Business Research TYPE OF STUDY- Empirical METHOD- Qualitative (Interviews) SAMPLE SIZE: 301(Family firms data from *NFBP in 1997 & 2000) MEDIATORS- Gender; Education; Business age; Size; Location;	ANALYSIS: Regression FINDINGS: Both gender of the owner and family resource exchanges with the business affect family firm performance Owning families manage family business and business resources together to meet the demands of	Business gross revenue

			an owner at least one family member worked in the business future family ownership is considered likely			Business innovation practices; Business management practices	both systems Introduction of new methods of production has a large positive effect for females than for males; and this study suggest that new methods of production has a large and +ve effect on gross revenue	
Rutherford, M., Kuratko, D., & Holt, D.	2008	US	A firm controlled and managed by one individual who employs only immediate family members and has some degree of his or her family identity connected with the business. Family business was also further defined as one controlled and managed by a collection of relatives who represents multiple generations of one family but has a significant number of non-family employees	Governance; Management; Family Employees	Familiness	JOURNAL – Entrepreneurship Theory & Practice TYPE OF STUDY- Empirical METHOD- Quantitative (Questionnaire) SAMPLE SIZE- 831 MEDIATOR- Independent variables: *Power; *Experience; *Culture Control Variables: Size; Industry	ANALYSIS: Regression FINDINGS:- High level of familiness (measured by *F-PEC Scale) do have competitive advantages towards firm performance Power had a negative correlation with sales growth and employee growth Experience was positively related to revenue but inversely related to sales growth. Culture and experience were positively related to perceived financial performance	ROA; ROI; ROE; Sales revenue; Sales per employee; Tobin's q; Growth; Perceived financial Performance
Kellermanns, F., Eddleston, K., Barnett, T. & Pearson, A.	2008	US	Family firm was defined as a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (Chua et al., 1999)	Governance; Management; Ownership; Succession	Not stated	JOURNAL- Family Business Review TYPE OF STUDY- Empirical METHOD- Quantitative (Questionnaires) SAMPLE SIZE- 50 family firms MEDIATORS- Employment; CEO Tenure; CEO Age; Generational involvement; CEO gender; Sales	ANALYSIS: Regression FINDINGS: The entrepreneurial behaviour of family firm CEOs was strongly related to employment growth (which is a measure of performance). CEO age has no significance on firm performance Organisational tenure of CEO was negatively related to employment growth (performance) Generational involvement was the only strong predictor of entrepreneurial behaviour (performance) This research also suggests that agency cost in family firms may	Employment growth; Entrepreneurial behaviour

							be lower than that in non-family firms	
Eddleston, K., Kellermanns, F. & Sarathy, R.	2008	US	Family firm was defined as those in which ownership lies within the family and at least two family members are employed by the business	Ownership; Family employees	RBV	JOURNAL- Journal of Management Studies TYPE OF STUDY- Empirical METHOD- Quantitative (Questionnaires) SAMPLE SIZE: 74 (Family firms) MEDIATORS- Strategic Planning; Technological Opportunities; Firm size	ANALYSIS: Regression FINDINGS: Family firms that invest in their innovative capacity and foster altruistic and stewardship family relationships are able to build a competitive advantage Family and Firm specific resources distinguishes successful family firms from their less successful counterparts The relationship between innovative capacity and strategic planning in FB is complex- Family firms rich in innovative capacity experienced lower performance when they had high levels of strategic planning as opposed to when they had lower levels of strategic planning	Reciprocal altruism (Family Specific resource); Innovative capacity (Firm Specific Resource); Growth in sales; Growth in market share; Growth in employment; Growth in profitability; ROE; ROTA; Profit margin on sales;
Chrisman, J., Chua J. & Kellermanns F.	2009	US	Family firm was defined as a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (Chua et.al 1999)	Governance; Management; Ownership; Succession	RBV	JOURNAL- Entrepreneurship Theory & Practice TYPE OF STUDY- Empirical METHOD- Quantitative (Questionnaires) SAMPLE SIZE- 505 *SBDC clients MEDIATORS- Resource stocks; Family influence; Sales growth; Geographical regions; Industry; Number of employees; Firm age	ANALYSIS: Regression; SPSS FINDINGS: The performance of FB and NFB are different even when both possesses similar levels of resource stocks External relationships in FBs yields social capital (but this has a relatively short-term impact) External relationships in NFB affected their sales growth –vely Functional resource stocks are +vely related to performance for both FB & NFB but the initial benefits for FB was higher while NFB appeared to obtain disproportionate benefits from improvements in functional capabilities Overall, the influence of family in a firm can lead to distinctive resources	Firm Size; Firm Age

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* S&P data: All studies using S&P data excludes data from the Utilities and Financial Industries.

*FIO – Family Involvement in Ownership

*FIM – Family Involvement in Management

*RBV- Resource-Based View

*TMT – Top Management Team

*CEO – Chief Executive Officer

*UAE: United Arab Emirates

*DCCI: Dubai Chamber of Commerce and Industry

*SBDC: Small Business Development Centre

*NFBP: National Family Business Panel

*IPO: Initial Public Offering

*Listing- This explains whether the company was listed in the stock exchange or not.

*LSE: London Stock Exchange

*Tobin's q: This is the ratio of a firm's market value to book value. Calculated as follows: [(Common shares outstanding*calendar year closing price) + (current liabilities-current assets) + (long term debt) + (the liquidating value of preferred stock)] divided by (total assets)...D. Miller et.al. 2007:837

*ROCE: Return on Capital Employed

*ROSE: Return on Shareholders' Equity

*ROTA: Return on Total Assets

*RONW: Return on Networth

*SPSS – Statistical Package for the Social Sciences

*Mosen Downs-Williamson Theory: 'only a combination of size and divergent goals could cause deviations from profit maximisation'

*FFCF- Founding Family Controlled Firms

*NFFCF- Non-Founding Family Controlled Firms

*FCB: Founders Controlled Business

*DCB: Descendants Controlled Business

*DEA- Data Envelopment Analysis is a methodology in operations research for performance evaluation. It is not commonly used in finance.

*OCF - Operating Cash flow

*S&P: United States- Standard and Poor is a division of McGraw-Hill that publishes financial research and analysis on stocks and bonds

*SME: Small-Medium Scale Enterprise

*OROA – Operating Return on Assets

*CMIE: Centre for Monitoring Indian Economy

*IROA: Industry-adjusted Return on Asset

*Market risk: Estimate from the market model in which the firm's monthly returns over the past five years are regressed on the S&P500 monthly returns

*Idiosyncratic risk: Standard error of estimate from market model in which the firm's monthly returns over the past years are regressed on the S&P monthly returns.

*OLS Regression: Ordinary Least Square Regression

*ROI- Return on Investment

OOIC: Return on Invested Capital

*Power: Percentage of family members with hare ownership and percentage of family members on the firm's board

*Experience: the generation of the family owning the business; generation of the family managing the company; and generation active on the governance board

*Culture: is the family's commitment; loyalty and pride towards the company

*F-PEC Scale: Family influence of Power, Experience and Culture introduced by Habbershon & Williams (1999)

*Blockholder: The owner of a large proportion of ownership shares of a company

*Coordination Centres exist in Belgium to give tax incentives to multinational groups

*Voting blocks: This is composed of several entities that could be independent firms, physical persons or even business groups

*EBIT- Earnings before Interest and Taxes

*R&D – Research and Development

*Industry adjusted EBIT- difference between EBIT and the average of its four-digit NACE (European Industry Classification System)

*Founder: this is defined as the one who founded a company or the predecessor company (this occurs when there is a change in the legal form and/or the company's name); Founder is also used for a person who acquires the majority stake in a company as CEO especially when he changes the company's operational business significantly

*Stakeholder is defined as any group or individual who can affect, or is affected by the achievement of a corporation's purpose.

*Overlapping-means one performance outcome satisfies multiple stakeholders' categories

*Causal: one performance outcome causes other performance outcomes

*Synergistic: two different performance outcomes cause other performance outcome(s)

*Substitution: two different performance outcomes can be traded one for the other.

1. Study by Lauterbach, B., and Vaninsky, A., Breakdown of 280 Sample size-9% do not have majority owners; 72% are individually owned (49% of this are owned by partnership of individuals; 51% are owned by families); the remaining 11% are owned by concerns... Journal of Management and Governance, Vol.3; No.2 1999