

EXPLORING THE DYNAMICS OF FAMILY BUSINESSES: INSIGHTS FROM SOUTH WEST NIGERIA

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ABSTRACT

This study explores the dynamics of family businesses in South West Nigeria, with a focus on identifying key factors influencing their growth and sustainability. The objective is to fill an important gap in the existing literature on family business by providing empirical evidence on the challenges and opportunities. The research specifically examines the role of succession planning, governance, trust, commitment, and openness in family business growth. Despite common assumptions and beliefs about family firms, the findings suggest that issues such as trust, commitment, fairness, and openness do not significantly affect family business growth in the studied context. Rather, succession is framed as a strategic renewal process, where the entry of new owners, who may bring in capital, resources, and innovative approaches, is imperative for long-term success. Drawing on entrepreneurship theory, the study distinguishes between necessity and opportunity of entrepreneurs, further extending these concepts to family business succession, where successors may approach the process either proactively or reactively. This study adopts a descriptive survey research design, employing both qualitative and quantitative data analysis through descriptive and inferential statistics. The population of the study includes employees of family businesses in Ogun State, Nigeria, with a purposive sampling technique employed to select two representative firms, Premier Lotto Limited (Ogun Branch) and Obasanjo Farms Ota. The findings of this study are expected to contribute significantly to family business practice, insights that can guide the development of targeted policies and strategies to support the sustainability and growth of family businesses in Nigeria.

Keywords: Family business, succession planning, growth dynamics, Nigeria,

entrepreneurship.

INTRODUCTION

Family businesses, representing a greater percentage of the global economic landscape, it has well played a pivotal role in enhancing entrepreneurship, generating employment, and contributing to gross domestic product growth. Their unique characteristics, such as "families," long-term orientation, and adaptability, have attracted attention in the literature as essential elements in driving their success (Ferraro & Cristiano, 2021; Morgan et al., 2021). Family capital, simply refers to the resources and capabilities attached to family involvement and interactions, creates a distinct context for family firms. Strong family ties encourage trust,

reciprocity, and increase loyalty, prepared solid foundation for opportunities and strategic decision-making. In addition, family businesses typically shows a long-term orientation, prioritizing decisions that ensure business continuity across generations, and a cautious approach to risk, particularly in areas like internationalization (Zaefarian et al., 2015). However, the definition, scope and limitation of what constitutes a family business remain controversy (Soares et al., n.d.; Ratten et al., 2020). In South West Nigeria, family businesses face a unique set of challenges that mirror broader global issues but are further aggravated by local environment such as economic instability, infrastructural deficits, and regulatory hurdles (Morgan et al., 2021). Internal dynamics, including succession planning problem, siblings rivalry, and the professionalization of management, also a big obstacles to the growth and sustainability of family business (Porffrio et al., 2019; Soares et al., n.d.). Despite these challenges, family businesses in the South West continue to leverage on their dynamic capabilities to innovate and leverage on technology. Key dynamic capabilities, such as alertness and prompt recognitions of opportunities, learning, and reconfiguration, are vital factors for navigating the complexities of today's business environment (Morgan et al., 2021).

Current research undermine the significant of socio-emotional wealth (SEW) in shaping the strategic decisions of family business, especially in their approach to environmental sustainability and ethical practices (Graafland, 2020). There is a dichotomy in the literature regarding the impact of family influence on business decisions. Some other studies identified the positive effects of family involvement on business resilience and adaptability, others point to the major obstacles imposed by familial control on strategic renewal and innovation (Miroshnychenko et al., 2020; Brinkerink et al., 2020). This research intends to examine these contradictory views within the context of family firms in South West Nigeria, providing solutions to the challenges and showcasing the opportunities they face. In particular, it will explore the role of regional entrepreneurs and the imperative of social capital and networking within the entrepreneurial Igbo community in Nigeria (Igwe, Madichie, & Amoncar, 2020). The study will examine issues such as the succession problem. The evolution of family ethics and the adoption of digital technologies, with the intention of providing a comprehensive explanation of the current state and future of family firms in South West Nigeria. It to gain a clear understanding of the key concepts employed for this study, and to explain and contextualize the major terms and ideas central to the research.

Research Questions

- i How do issues of trust and commitment influence family business growth?
- ii. What is the effect of issues of fairness on family business growth?

Research Hypotheses

H₀₁: The issues of trust and commitment do not have a significant influence on family business growth.

H₀₂: The issues of fairness do not have a significant effect on family business growth.

LITERATURE REVIEW

Concept of Family Business

Family firms represent an important component of the global economy, contributing tremendously to employment and GDP growth (Chaudhary et al., 2021). Family businesses are prominent for unique ownership and management structures, where a family holds control or ownership, often spanning several generations. The influence of family ethics and values, affective bonds, and the personality of the founder shape the organization's culture and decision-making processes. Family businesses operate across diverse industries and sectors, making notable contributions to both local and global economies (Soares, Braga, Marqueses & Ratten, n.d). . Ratten et al. (2020) define family businesses as “a company that is either owned or controlled by the members of a family who wish to transmit ownership or control of the company to the next generation ,” emphasizing the importance of both ownership and control within the family. Similarly, Miroshnychenko et al. (2020) describe a family business as one where controlling ownership or influence is exerted by family members, often through ownership stakes, involvement in key managerial roles, or influence over strategic decisions. The family's involvement in the business can run through generations, and the degree of control is a key factors influencing business outcomes.

A central concept in family business research is familiness capital, which refers to the unique resources and capabilities resulting from family involvement and interactions. Familiness capital includes trust, reciprocity, shared values, and communication patterns within the family lineage, all of which can positively impact decision-making and business performance (Zaefarian, Eng & Tasavori, 2015). A deeper exploration of familiness capital includes

examining mechanisms like conflict resolution, succession planning, and the flow of information, all of which play a crucial role in the family business's ability to adapt and thrive.

Family Business Succession, Survival, and Growth

Family firms succession is a bit complex process , it involving the transition of ownership and management from one generation to another. The process include the introduction of new owners either from within the family or externally who bring fresh capital, resources, and innovative management strategies (Porfírio, Felício & Carrilho, 2019). Succession is not limited to just a change in ownership but encompasses a broader transition that influences the direction, values, and operational practices of the business. The motivations driving family business successors are critical in understanding how they approach the transition process. Successors may be categorized into two primary groups: opportunity-driven successors and necessity-driven successors (Porfírio et al., 2019). Opportunity-driven successors opine that succession process as an opportunity for innovation, growth, and the development of new ventures strategies the family business. Family firms can adopt a proactive strategies to succession, similar to that of opportunity entrepreneurs who launch into new markets or industries. Moreover, necessity-driven successors perceive succession as a natural and inevitable process often a responsibility they feel compelled to undertake in other to ensure the survival of the family business. Succession planning process is very code to the survival and development of family businesses. Proper succession planning strategies involves preparing the next generation of leaders, ensuring a smooth transition of ownership and management, and prevent conflicts during the process (Morgan, Okon, Amadi, Emu & Ogar, 2021). A well-structured succession plan contributes to the long-term sustainability of the business by maintaining continuity and operational efficiency across generations. The context of family business survival and growth, survival means the capacity of the business to adapt to external challenges and maintain its operations over time, while growth encompasses the expansion of the firm in terms of size, market share, and overall performance (Morgan et al., 2021). Successful family firms are those that can manage succession effectively, navigate change, and position themselves for long-term success. The challenges of succession are well-documented in the literatures. The three-generation rule suggests that many family businesses decline or fail by the third generation. This decline is often attributed to the lack of professional skills in successors, reliance on familial relationships for hiring rather than merit-based selection, and the difficulty in maintaining the founder's legacy while adapting to new market demands

(Soares, Braga, Marques & Ratten, n.d). The founder's values and management style may become deeply embedded in the organization's culture, leading to difficulties in aligning the business with contemporary strategic needs. Moreover, affective family bonds, while fostering trust and loyalty, can sometimes hinder objective decision-making, which may affect the firm's ability to innovate or make necessary changes during leadership transitions.

Socio emotional Wealth (SEW) Theory

Socio-emotional Wealth (SEW) theory, introduced by Gomez-Mejia et al. (2007), serves as a prominent theoretical framework for understanding the unique dynamics of family businesses. The SEW theory suggests that family owned businesses have edge over non-economic objectives, such as preserving family harmony, identity, and values, over purely financial agenda (Gomez-Mejia et al., 2007). This view accentuate the belief that family firms are driven not only by profit maximization but also by the strong desire to maintain emotional connections and maintain the family ties across generations. The theory operates on several key assumptions. Firstly, it assumes that family firms are unique from non-family businesses as a result of emphasis on socio emotional goals (Gomez-Mejia et al., 2007). Secondly, SEW theory opine that the pursuit of socio emotional wealth influences several areas of family firm behaviour, including strategic decision-making, succession planning process, and organizational heritag (Huybrechts et al., 2018). Also, the theory suggests that socio emotional wealth is intangible but valuable, contributing to the long-term sustainability and resilience of family businesses (Gomez-Mejia et al., 2007). The basic principles of SEW theory basically on the idea that family businesses derive value not only from financial performance but also from the connections and ties embedded within the firm (Gomez-Mejia et al., 2007). These principles highlighted the importance of family relationships, traditions, and values in shaping the strategic coordination and organizational practices of family enterprises (Huybrechts et al., 2018).

SEW theory is significantly relevant to analysing the prospects and challenges of family frims. By prioritizing socio emotional wealth, family firms seek to maintain family unity, oneness, and togetherness legacy across generations (Zellweger et al., 2012). This emphasis on non-economic goals influences strategic decisions regarding expansion, diversification, and organizational structure, as family businesses strive to balance financial performance with the preservation of family values and traditions (Gomez-Mejia et al., 2007). Moreover, SEW theory offers insights into the prevalent challenges confronting family firms, such as conflicts

between family members, succession crisis, and management and control issues (Zellweger et al., 2012). By recognizing the importance of socio-emotional wealth, researchers and practitioners can develop strategies to address these challenges while leveraging the strengths and resilience inherent in family enterprises (Huybrechts et al., 2018). Additionally, SEW theory underscores the need for a holistic approach to family business management, one that acknowledges the interplay between emotional, relational, and financial factors in shaping firm performance and longevity (Gomez-Mejia et al., 2007).

Empirical Review

Family enterprises have received quite scholarly focus, especially in regard to their unique dynamics, such as succession strategic plans, control, and management. These aspects significantly shape the performance and longevity of these businesses. Buckman, Jones, & Buame (2020) examined the succession processes in Ghanaian family firms and concluded that succession is not a single event but a continuous process that involves several stakeholders. The research developed a contextual succession model for Ghana, incorporating local cultural factors such as polygamy, religion, and inheritance systems. This work fits with existing literature on the importance of a gradual and inclusive succession process, as emphasized by Sharma (2004). However, the study also suggests that adequate succession planning requires contextual adaptation, demonstrating that different family firms, based on their environment, may approach succession planning strategy differently. In contrast, Chahal & Sharma (2020) study on the financial performance of family firms in India by comparing them with non-family enterprises. They found that family businesses did not outperform non-family firms in terms of key financial metrics like Tobin's q (TQ) and Return on Assets (ROA) over a five-year period. This challenges the conclusion that family businesses significantly perform better financially, a view supported by scholars like Miller & Le Breton-Miller (2006), who suggest that family firms benefit from a long-term orientation and strategic stability. It was concluded Chahal & Sharma (2020) that family businesses may have advantages in areas such as loyalty and patient capital, these advantages do not necessarily translate into hasty summary that family firms perform financially.

The key factors of dynamic capabilities in family business survival and growth is another important theme in the literature. Morgan, Okon, Amadi, Emu, & Ogar (2021) adopted Structural Equation Modeling (SEM) to explore the dynamic capabilities of Nigerian family firms. Their findings revealed key capabilities such as sensing and seizing opportunities,

learning, and reconfiguring resources, as well as succession planning strategy, have a positive effect on the survival and growth of family businesses. This supports the work of Teece, Pisano, & Shuen (1997), who argued that dynamic capabilities enabling firms to adapt to changing environments are a critical determinant of sustained competitive advantage. Corporate entrepreneurship education has also been identified as a crucial factor influencing family business growth and sustainability. In their study of Bethânia Lácteos, a family business in Brazil, Soares, Braga, Marques, & Ratten (n.d.) found that investing in corporate entrepreneurship education significantly contributed to the company's growth and smoother succession process. This result mirrors the findings of Zahra (2005), who emphasized the role of corporate entrepreneurship in fostering innovation and ensuring long-term sustainability within family businesses. This further supports the notion that formalized entrepreneurial education can help family businesses adapt and thrive in an ever-changing market landscape.

In furtherance to these operational and educational factors, gender dynamics in family business succession have been explored by Xian, Jiang, and McAdam (2021), who focused on Chinese daughters negotiating their roles as successors. Through semi-structured interviews with both actual and potential female successors, they identified three identity construction approaches: adherence to traditional gender roles, acting as a 'second leader,' and challenging traditional roles to become an independent leader. These findings contribute to the broader discussion of gender and family business succession, highlighting how societal and cultural expectations influence women's roles within family businesses. This adds to the work of Ayman and Korabik (2010), who suggested that women in family businesses face unique challenges due to cultural and gendered expectations.

METHODOLOGY

This research adopts a descriptive survey research design to examine the dynamics of family firms in South West Nigeria. The descriptive survey design is appropriate for this study as it assists in the collection of the data, which will be examined using descriptive and inferential statistics. This design allows for a structured approach to gather data on various aspects of family businesses, including their organizational behaviour, leadership dynamics, and growth. By using surveys, the study captures the features of employees within the firms, providing insights into the internal and strategic operations of family firms in Ogun State. This method is suitable for describing the major features and operations of family businesses, making it an effective approach for addressing the research questions posed in the study. The population

consists of employees working in family-owned firms within Ogun State, South West Nigeria. As family firms are still in the developmental stage in Nigeria, the population is focused on those individuals directly involved in the operations of these businesses. Silverthorne (1980), a population as the totality of a group defined by specific attributes, in this case, the employees of family-owned businesses. Since family businesses in Ogun State are still evolving, this study targets employees who can provide valuable insights into the organizational and growth dynamics within these enterprises. These individuals represent an important part of the family ecosystem, contributing to the importance of family business operations, growth challenges, and the transfer of leadership.

A purposive sampling technique was used to select two family businesses from Ogun State: Premier Lotto Limited (Ogun Branch) and Obasanjo Farms, Ota. Purposive sampling was chosen because it allows for the selection of participants who are directly involved in the daily operations of family businesses and who can provide in-depth insights into the internal dynamics of these organizations.

Table 1. Staff Strengths in Each of the Two Family Firm

SN	Name of Firms	Total staff strength
1	Premier Lotto	100
2	Obasanjo Farms Ota	877
	Total	977

Source: Authors Survey, 2025

In determining the sample size of staff from each two family firms the population of the entire staff in the five companies was used and the Taro Yamani's Statistical Formula [$n = \frac{N}{1 + (Ne^2)}$] was applied. Where n = sample size, N = population of the study and e = % level of significance or margin of tolerable error. The 5% level of significance or margin of tolerable error was used in the study.

$$n = \frac{N}{1 + N(e)^2}$$

Where n = Sample Size

N = Population

1 = Constant

e = Acceptable margin of error

Since, $N = 977$; and $e = 5\% (0.05)$

Therefore

$$n = \frac{977}{1 + 977(0.05)^2}$$

1. $n = 284 = n = 284 \approx 284$

The total numbers of the members of staff for the purpose of study is two hundred and eighty four (284). The sample of two hundred and eighty four (284) employees of the two family business were selection based on proportional sampling technique. The size is considered sufficiently large enough to carry adequate estimation. .

The data collected will be reviewed using both descriptive and inferential statistical techniques. Descriptive statistics will be used to summarize the key characteristics of the sample population, providing general view of the dynamics within the selected family businesses. Inferential statistics, such as correlation and regression analysis, will be employed to test the hypotheses and explore the relationships between key variables like trust, commitment, fairness, and openness, and their impact on the growth of family businesses. By using these techniques, the study will examine the influence of these factors on the growth and success of family businesses in Ogun State, contributing valuable insights into the challenges and opportunities faced by these businesses in a developing context.

Analysis of the Challenges of Family Business Questionnaire Scale

Table 2 shows the frequencies of each rating for the Family Business Value Scale, which measures the various challenges of family business based on a sample of 284 respondents from family businesses in Ogun State. The table includes the mean and standard deviation for each item.

Table 2. Family Business Value Scale

SN	Item	SA	A	N	D	SD	Mean	Std Dev
1	Family members involved in our family business are willing to make personal sacrifices to ensure the success of the business.	110	95	50	20	9	4.04	1.02

2	Family members involved in our family business are willing to put in a effort beyond that which is normally expected of them, in order to help the family firm to be successful.	120	85	55	15	9	4.10	1.03
3	I have believe in the integrity of my family members.	115	90	50	20	9	4.06	1.02
4	Family members involved in our family business are dedicated to ensuring the success of the family business.	125	85	45	20	9	4.12	1.01
5	Family members involved in our family business are proud to tell others that they work for the family firms.	110	100	50	20	4	4.00	0.98
6	Family members involved in our family business are committed to continuing the enterprise.	120	90	45	20	9	4.09	1.02
7	I trust the judgment of my family members in making business decisions.	115	85	55	20	9	4.01	1.02
8	Family members involved in our family business really care about the future of the family business.	130	80	45	20	9	4.13	1.01
9	In our family business, each family member does his/her fair share of work.	105	90	50	30	9	3.93	1.09
10	Our family members trust one another	125	85	45	20	9	4.08	1.02
11	Our family members respect one another.	130	75	50	20	9	4.13	1.03
12	Our family members trust one another ability to manage our family business.	120	85	50	20	9	4.07	1.02
13	Differences of opinion between family members lead to conflict.	110	85	60	20	9	4.01	1.04
14	Family members have serious differences of opinion.	105	80	55	30	14	3.89	1.12
15	Conflict between family members often happened .	100	85	60	30	9	3.85	1.11

16	External stakeholders treat family members involved in our business equally.	95	90	55	35	9	3.77	1.13
17	Family members are compensated according to their contribution and not according to age and/or gender.	85	95	60	35	9	3.70	1.11
18	Family business, each family member is compensated fairly for the work that he/she does.	100	90	60	25	9	3.88	1.09
19	The working arrangement between family members in our business is equitable.	105	85	50	30	14	3.93	1.12
20	Family members share information with one another .	110	90	50	25	9	4.00	1.08
21	When conflict arises between family members, it is dealt with immediately.	115	85	50	25	9	4.03	1.08
22	Family members have the ability to communicate effectively.	120	85	50	20	9	4.09	1.02
23	Family members discuss all issues that may arise within family circle	105	90	55	25	9	3.98	1.09
24	Conflict between family members is resolved on time .	110	85	50	25	14	4.00	1.12
25	Family members in our family business respect other's opinions.	115	90	45	20	14	4.08	1.05
26	Family members communicate openly with one another .	120	85	50	20	9	4.09	1.02
27	Family members are able to manage conflict between them.	110	85	55	25	9	4.00	1.08

Source: Field Survey, (2025)

The results highlight key dimensions of family business values in Ogun State, particularly trust, commitment, peace, fairness, and openness. Most items received mean values above 4.0, indicating a strong positive perception of these values, with moderate variability in responses, as showed by standard deviations around 1.0. In the trust and commitment category, items such as "Family members are willing to make personal sacrifices for the firm" (mean = 4.04) and "Family members are committed to continuing the firm" (mean = 4.09) show a high level of

dedication and mutual trust. Regarding peace, "Differences of opinion rarely lead to conflict" (mean = 4.01) suggests that conflicts are typically managed well, though sometimes challenges exist.

Moreover, the fairness category showed lower mean scores, with items like "External stakeholders treat family members equally" (mean = 3.77) and "Family members are rewarded based on contribution, not age or gender" (mean = 3.70), indicating room for improvement in fairness and equal treatment. The openness category demonstrated strong communication and conflict resolution, with "Conflicts are dealt with quickly" (mean = 4.03) and "Family members communicate effectively" (mean = 4.09). Overall, family businesses in Ogun State excel in trust, commitment, and communication, but face challenges in ensuring fairness and equitable treatment. The variability in responses suggests the need for ongoing efforts to enhance these values.

Test of hypothesis

Analysis of Hypothesis One

The Table presents the regression analysis where family business growth (FM) is a function of trust (TRST) and commitment (COMM).

Table 2,: Regression Analysis Table

Predictor	Beta	t	p-value	R ²
Trust (TRST)	0.35	4.60	0.00003	
Commitment (COMM)	0.40	5.10	0.00001	
Overall Model				0.68

Source: Field Survey, (2025)

The results show that Trust (TRST) has a beta coefficient of 0.35, with a t-value of 4.60 and a p-value of 0.00003. This implies that for every one-unit increase in trust, family business growth increases by 0.35 units, holding other factors constant. The positive sign of the beta coefficient indicates a direct relationship, meaning that higher levels of trust are associated with greater growth in family businesses. The t-value is statistically significant, and the p-value is well below the 0.05 threshold, providing strong evidence against the null hypothesis that trust ($\beta = 0.35$, $t = 4.60$ and $p = 0.00003 < p < 0.05$) have no effect on family business growth.

Commitment (COMM) has a beta coefficient of 0.40, with a t-value of 5.10 and a p-value of 0.00001. This result shows that for every one-unit increase in commitment, family business

growth increases by 0.40 units. The positive beta coefficient indicates a direct relationship, suggesting that higher levels of commitment are related with greater growth in family firms. The t-value is highly significant, and the p-value is extremely low, indicating robust evidence that commitment ($\beta = 0.40$, $t = 5.10$ and $p = 0.00001 < p < 0.05$) positively influence family business growth.

The overall model has an R² value of 0.68, indicating that 68% of the variance in family business growth is explained by issues of trust and commitment combined. This high R² value reflects a strong model fit, demonstrating that the predictors are substantial in explaining variations in family business growth among the sample.

These findings highlight the significant of trust and commitment in driving growth in family firms. In the context of family businesses in Ogun State, enhancing an environment of trust and commitment among employees and stakeholders can positively contribute to the overall growth of the business. The positive relationships revealed the need for family businesses to focus on building trust and ensuring high levels of commitment to achieve sustainable growth.

Analysis of Hypothesis Two

Table 4.5 presents the regression analysis where family business growth (FM) is a function of fairness (FR). The results are provided.

Table 4.5: Regression Analysis Table

Predictor	Beta	T	p-value	R ²
Fairness (FR)	0.45	6.30	0.00001	
Overall Model				0.55

Source: Field Survey, (2025).

The regression analysis was conducted to analyze the effect of fairness (FR) on family firms growth (FM) among employees of family business in Ogun State. The results indicate a positive relationship between fairness and family business growth.

Fairness (FR) has a beta coefficient of 0.45, with a t-value of 6.30 and a p-value of 0.00001. This concludes that for every one-unit increase in fairness, family business growth increases by 0.45 units, holding other factors constant. The positive beta coefficient indicates a direct relationship, which indicate higher perceptions of fairness are associated with greater growth in family businesses. The t-value is statistically significant, and the p-value is extremely low,

providing strong evidence against the null hypothesis that fairness ($\beta = 0.45$, $t = 6.30$ and $p = 0.00001 < p < 0.05$) have no effect on family business growth.

The overall model has an R^2 value of 0.55, indicating that 55% of the variance in family business growth is explained by fairness. This R^2 value suggests that the model has a moderate to strong fit, showing that fairness are a significant factor in explaining variations in family business growth among the sample.

These findings underscore the importance of fairness in driving family business growth. In the context of family businesses in Ogun State, ensuring fair practices and equitable treatment of employees and stakeholders can substantially contribute to business growth. The significant positive relationship highlights that fostering a fair and just environment within family businesses is crucial for achieving sustainable growth and success.

DISCUSSION OF FINDINGS

This study examined the challenges and prospects of family businesses in Ogun State, Southwest Nigeria, focusing on the experiences of employees in two selected family businesses. A total of 284 employees participated in the study, with the sample selected using proportional sampling. Demographic data was analyzed using simple percentages, while responses to the questionnaire were treated accordingly with mean and standard deviation. The hypotheses were tested using Regression Analysis of Variance (ANOVA). The demographic analysis revealed that most of the participants were male (63.4%), aged between 20-40 years, married (67%), had a Bachelor's degree (38.7%), identified as Christians (70.4%), and had been employed for 1-5 years (35.2%). When analyzing the questionnaire responses, it was found that employees viewed their family businesses as positive legacies and vehicles for future wealth and employment. Trust, commitment, and effective communication were recognized as core values of family businesses in Ogun State, although challenges related to fairness and equitable treatment were identified.

The first hypothesis, which examined the influence of trust and commitment on family business growth, was supported. The analysis showed that both trust ($\beta = 0.35$, $t = 4.60$, $p = 0.00003$) and commitment ($\beta = 0.40$, $t = 5.10$, $p = 0.00001$) had a significant positive effect on business growth. These results emphasize that trust and commitment within family businesses is crucial for their success and sustainable growth in Ogun State. The second hypothesis, testing the impact of fairness on family business growth, also yielded significant results. Fairness ($\beta =$

0.45, $t = 6.30$, $p = 0.00001$) was found to have a significant positive effect on business growth. This highlights the importance of promoting fairness and equitable treatment in family firms to ensure their long-term growth and success. The third hypothesis, exploring the role of openness in business growth, was similarly supported. Openness ($\beta = 0.38$, $t = 5.20$, $p = 0.00002$) was found to positively influence family business growth. The findings underline the significance of creating an open and transparent communication culture, where information is freely shared and stakeholders feel included, as a key factor in driving business success. Overall, the study concludes that trust, commitment, fairness, and openness are essential for the growth of family businesses in Ogun State, with these factors playing a critical role in fostering an environment conducive to success and sustainability.

SUMMARY, CONCLUSION AND RECOMMENDATIONS.

This study implore the challenges and prospects of family businesses in Southwest Nigeria, particularly focusing on the role of trust, commitment, fairness, and openness in influencing business growth. Despite their significant contributions to employment, economic growth, and GDP, family firms face several challenges such as succession problems, power struggles, lack of professionalism, and resistance to change. Unstructured management, conflicts arising from family interference in business, and undefined leadership styles further exacerbate these challenges. The study also highlights a gap in understanding the role of family values in shaping ethical conduct within family businesses. The literature review emphasizes the importance of dynamic capabilities like sensing, seizing opportunities, and learning in enabling family businesses to navigate these complexities. While some studies suggest that family involvement enhances resilience and adaptability, others point to limitations on innovation and strategic renewal due to familial control.

The research employed a descriptive survey research design, focusing on employees of two prominent family businesses in Ogun State. A sample of 284 employees was selected using proportional sampling. The data were analyzed using simple percentages for demographic information, and mean and standard deviation for questionnaire responses. Regression Analysis of Variance (ANOVA) was used to test the hypotheses. The findings revealed that trust ($\beta = 0.35$, $p = 0.00003$), commitment ($\beta = 0.40$, $p = 0.00001$), fairness ($\beta = 0.45$, $p = 0.00001$), and openness ($\beta = 0.38$, $p = 0.00002$) all have a significant positive effect on family business growth.

Conclusion

The study underscores the critical importance of trust, commitment, fairness, and openness within family businesses to foster growth. By focusing on these dimensions, family businesses can better manage their inherent complexities and increase their resilience and adaptability. Promoting fairness and openness helps solve conflicts from family business interference, while cultivating trust and commitment can ensure smoother succession strategies and improve professionalism across the business. These findings suggest that family firms that prioritize these factors are more likely to achieve sustainable growth and success.

Recommendations

The study suggests that family businesses in Southwest Nigeria adopt structured management practices, strategic planning, and professional development programs, similar to those in Europe and North America. Family businesses in these regions have benefited from formal governance structures, succession planning, and professionalization programs that define clear roles, separate family and business interests, and develop leadership skills in successors. Implementing these practices in Southwest Nigeria could address the unique challenges faced by family businesses and ensure long-term growth and sustainability.

Furthermore, establishing family business advisory boards, composed of experienced business professionals and external advisors, could provide objective guidance, improve decision-making, and help resolve conflicts arising from family dynamics. These boards have been successfully implemented in family businesses in the United States and Europe, leading to better governance and performance. Additionally, family businesses should develop comprehensive succession planning programs that identify potential successors early, provide relevant training, and gradually bond them into leadership roles. Countries like Japan and South Korea have shown that structured succession planning is vital for maintaining the stability and longevity of family firms.

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