Cultural Dynamics and Performance Family Owned Businesses in Anambra State

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Case Study

ABSTRACT

The over-reliance on patriarchal inheritance culture which seems to inhibit the capacity of Family Owned Businesses (FOBs) to professionalise and its implications for industrialising Africa necessitated this study. The broad objective was to examine the relationship between Cultural Dynamics and Performance of selected Family Owned Businesses in Anambra State. The study adopted a survey research design. The population of the study was 1500, and the sample size was 316 which guided the distribution of questionnaires in adherence to the proportion of allocation using Bowley's Allocation formula. Data were analysed with the aid of descriptive statistics and hypothesis tested with the Ordinary least square Regression analysis at 5% level of significance. The result revealed that there is a positive relationship existing between inheritance culture and professionalism in the selected FOBs. The coefficient of determination (R Square) shows that 88% change in professionalism is accounted for by changes in inheritance culture. The study concluded that the culture of an environment overlaps with the culture of FOBs situated in it and the more the owners of FOBs align with the culture of inheritance, the more likely it is for the business not to be professionalised. Among other things, the study recommended that irrespective of the fact that the ownership of the business stays within the family circle, efforts should be made by the families to employ capable hands and experts to help in managing the business. Moreover, even when inheritance is by seniority, management should be left in the hands of more capable, effective and efficient family members since this has far-reaching implications in the industrialisation of Africa.

Keywords: Culture; family owned businesses; professionalism; performance.

1. INTRODUCTION

1.1 Background of the Study

Businesses exist mainly to make profits by providing values to people in the forms of goods or services. These businesses can be categorised as sole-proprietorships, partnerships, cooperatives or corporations, mostly made obvious in their respective missions, visions and/or structures. The ownership of these businesses also varies as they can be owned by individuals, government agencies and/or families. Within the context of this study, the focus is on businesses owned by

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families which are called Family-Owned Businesses (FOBs).

FOBs are one of the most ancient and prevalent forms of businesses in both developing and developed nations. In alignment with this assertion, Bodolica, Spraggon & Zaidi (2015), Martí, Menéndez-Requejo, & Rottke (2013) & Efferin & Hartono (2015) opine that FOBs are the prevailing forms of organisations worldwide, being the determinants of the social and economic development of both developed and emerging economies. FOBs are formed and in most cases, managed by family members. It could be by the father, the mother, the children or any combination. The extended family also take an active part in the ownership and management of FOBs.

A significant number of businesses operating in Nigeria in general and Anambra State, in particular, are privately owned and a great percentage of family owned, and their contributions to the national economy are enormous. Oyeyinka (2010) avers that approximately 96% of Nigerian businesses are private indigenous enterprises which are mainly FOBs. A study by the Economic Intelligence Unit (2013) in Nigeria suggests that 51.5% of the 200 largest listed companies are family-controlled businesses. This can also be narrowed down to Anambra state where the indigenes are revered for their entrepreneurial spirit. There are a lot of big markets in Onitsha, Nnewi and Awka and these markets are dominated by FOBs that contribute a lot regarding various taxes which the state uses for infrastructural and other development efforts.

Sadly, only a fraction of these businesses survives into the second, third or later generations. A report from the Family Business Consulting (2009) indicates that only about 30% of FOBs survive into the second generation, 12% still viable into the third generation and only about 3% into the fourth generation and beyond. This figure could even be higher in Nigeria, in general, and Anambra state, in particular. This untimely death could be attributed to a lot of issues and challenges faced by these businesses, but one of the very important factors that can contribute to the performance and subsequent survival of FOBs is the culture prevalent in the locality of the business.

The culture in any community or locality has a way of influencing things in the community and FOBs are not left out. A community's values, norms and belief systems can influence businesses within it to a very large extent. Succinctly capturing this, Kelly (2000) opines that typically, FOBs have a uniquely close relationship with their local community's culture. Viewing this differently, Duh & Belak (2009) state that family systems form fundamental principles and core values, which can be seen as guidelines in the vision, mission and goals of the family enterprises. Some of the cultural issues that have bearing on the family businesses in Anambra State are the inheritance culture, the issues of first male child superiority and paternalistic tendencies. In the context of this study, the focus is on male child and inheritance issues and its influence of the performance of the business regarding the professionalisation of the business management.

1.2 Statement of the Problem

Family owned businesses enjoy some competitive edge over non-family owned businesses. They enjoy the trust, loyalty and commitment of family members as there is a sense of responsibility to perpetuate the family business for the generation yet unborn. However, despite the sense of loyalty and commitment, the rate of survival of FOBs appears to be a far cry from what is expected as most of them seem to die before the second generation. This seems to be as a result of the reluctance of the owners and founders to engage the services of experts and professionals in managing the business. As a result of cultural inclination, founders are motivated to hand over the businesses to their children and in most cases, in adherence to the patriarchal culture; it is handed over to the first male child of the family. This is done even when there are other people in the family who seem to be more qualified and capable to handle the business better. The inheritance culture appears to inhibit FOBs towards employing professionals to handle their businesses and this may affect their performance negatively and ultimately their survival. It is against this backdrop that this study was necessitated to look into the culture and the role it plays in determining the performance of selected FOBs in Anambra State.

1.3 Objectives of the Study

The broad aim of this study is to determine the relationship between Cultural Dynamics and Performance of selected Family Owned Business in Anambra State. Specifically, this study seeks to examine the inheritance culture and professionalism of selected Family Owned Business in Anambra State.

1.4 Hypothesis

"There is a relationship existing between inheritance culture and professionalism of selected Family Owned Business in Anambra State".

2. REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

2.1.1 Culture

Culture is generally seen as a people's way of life. To Abakare (2009), culture means the way of life – the shared, learned behaviour of a people. Triandis (2000) posits that culture is a shared meaning or system found among those who speak a particular language or dialect, during a specific historic period, and in a definable geographic region. It is the core values and beliefs of individuals within a society, which are formed in complex knowledge systems during childhood and reinforced throughout life (Lachman, 1983; Hofstede, 1994, 2001). It is a set of informal/intangible elements (meanings, values, beliefs, symbols, assumptions, ideologies, myths and rituals) that emerge from socialization process (mostly by learning and shared experiences) and shape the way people think and act, thus influencing behaviour (Discua-Cruz, Hamilton& Jack, 2012; Grundström, Öberg & Rönnbäck, 2012; Yu & Kwan, 2015). Hofstede (2010) aligns with this line of thought of differentiating people as a result of culture by positing that culture is the collective programming of the mind which distinguishes the members of one group or category of people from another.

The culture of people can be seen in their language, clothing style, religion and others. These variables of culture were succinctly captured in the definition given by Samovar& Porter (1994); "the cumulative deposit of knowledge, experience, beliefs, values, attitudes, meanings, hierarchies, religion and notions of time". Other cultural variables are roles, spatial relations, concepts of the universe, and material objects and possessions acquired by a group of people in the course of generations, through individual and group striving"**.** Culture involves shared motives, values, beliefs, identities and interpretations or meanings of significant events that result from common experiences of members of society which are transmitted across generations (Papalexandris & Panayotopoulou, 2004). Culture is associated with everything that people have, think, and do as members of their society in common (Ferraro, 2005).

Culture helps in distinguishing a community or society from another, and this can also have an impact on the performance of organisations as some businesses may thrive in one culture and may be strangulated in another. On the part of culture influencing organisational performance, Goody (2003) avers that a great deal of research reveals that culture is recognised as the central component from which behaviour and performance of businesses like FOBs flow. Cruz, Hamilton & Jack (2012) assign it an even deeper role, conceptualising culture as the underlying platform which supports the way people think and behaves in organisations thereby determining the survival of organisations.

2.1.2 Inheritance culture

Inheritance in this context means passing of titles to a property, an estate or a business to another person. It is the transfers of unconsumed material accumulations of previous generations (Nwadukwe, 2012). Inheritance culture hence means the practice and belief of a particular group of people to pass on a property or a business to the next, and this is the practice in most parts of Anambra state especially to the firstborn male child. Nwadukwe (2012) explicates that inheritance culture is the practice of passing on property, titles, debts, rights and obligations upon the death of an individual.

The culture of Anambra state, in general, makes it explicit that it is the male child or children that inherit the properties of the deceased and this appears to segregate against the female child. Capturing this point, Nwadukwe (2012) avers that whenever a man dies, his property including his business ventures are divided among the deceased male children only. The firstborn child takes the lion share of the properties in most cases. The inheritance culture being skewed along gender line has been observed by extant literature without minding the business suitability (Miller, Steier & Miller, 2003).

Emphasis has always been placed on the male child especially in the family system mainly because families in Nigeria are patrilineal. The males are seen as a continuity of both the family name and the lineage and, the men are supposed to be dominant with women being subject to them (Aderonke, 2014). In Igbo society, management succession follows the rules of inheritance which empowers the founder to bequeath his enterprise(s) to his offspring or heir(s). The right of the eldest surviving son to succeed his father in the headship of the family and his commercial ventures is automatic and arises as a result seniority (Onuoha, 2010).

2.1.3 Family Owned Businesses (FOB)

There are so many definitions of FOBs depending on the angle it is being looked at. Thus, it is said that FOB suffers from a lack of unanimous definition and conceptualisation as it is with the most concept in social research. Sharma (2004) insists that like most concepts in social research, a clear definition of family firms has not yet achieved full convergence in the literature. To Karam & Filho (2017), distinct classification criteria such as the degree of family participation in the top management team, amount of stock held by the family or whether or not a firm has been through a succession process may create a combination whose consensus is highly improbable. They further state that what is considered a FOB in an Anglo-American context might have a different configuration in Latin American or European countries, due to differences in ownership structure (Karam & Filho, 2017). However, the convergent point in all the structural differences and definitional diversity is that the owner must be linked to a family or group of related families.

The “Family Business Network” (2008), defines family business as a company whose ownership and management are concentrated in one or more families, with at least one member of the family at the helm and control of the business and others are being groomed or considered for eventual leadership. Cullen (2007) refers to FOB as one which has been started by an entrepreneur/founder and eventually progresses to being owner managed and then results in more than one member working in the business, which leads to a family partnership. It is an enterprise controlled by members of a family. It is a business that is owned and directly influenced by members of the same family, who share the intention of creating wealth for future generations (Maas & Diederichs, 2007). Van Duijn, Breunesse & Malindz (2007) similarly define it as a business that is owned, controlled and operated by members of one or several families.

Longenecker, Moore & Petty (2003) state that FOB is one in which two or more members of the same family share ownership of a business or work together within a business. This brings to the fore the issue of the different mix in the family business ownership structure. Astrachan, Klein & Smyrnios (2002) state that family enterprises are not homogenous, that empirical researches have revealed that, among others, family enterprises vary regarding the degree of family involvement in ownership and management (Sharma, 2004). Kenyon- Rouvinez & Ward (2005) state that three or more family members all in active business or two or more generations of family control; or current family owners who intend to pass on control to another generation of the family constitute a family business.
The ownership structure of FOB is not something that is easy to explain as different combinations may exist. Capturing this, Tannenbaum (2002) posits that the reality of FOB's defies easy categorisations since FOB's range from small and medium-sized companies to large conglomerates that operate in multiple industries and countries. However, he acknowledges that FOB's may generally take one of the following necessary arrangements:

i. Single family, one generation
ii. Single family, multiple generations
iii. Multiple families, one generation
iv. Multiple families, multiple generations
v. All generations active in the business
vi. Some active/some passive
vii. None active
viii. Single Family/Managed by Non-Family-owned Members
ix. Multiple Families/Managed by Non-Family-owned Members
x. Publicly-Traded Company owned in part by Founding Family
xi. Investments, controlling or otherwise, in several public companies

2.1.4 Performance

The term performance as it relates to organisations has over the years generated a lot of interest and, so also is the definition as it has been defined in different ways by different people. Performance could be viewed in two broad perspectives: the qualitative performance and the quantitative performance. Performance is a concept defined as the total amount of quantitative and qualitative contribution of an individual, a group or an organisation to a task which is used to find out what has been reached or achieved during the fulfilment of the target of that task (Şehitoğlu & Zehir, 2010). Wade & Ricardo (2001) opine that performance is the ability to achieve organisational goals and objectives while Daft (2000) explicates that performance, as it has to do with organisations, is the organisation's ability to accomplish its aims through the use of resources in a properly structured manner.

Performances of FOBs are subject to a lot of things, one of which is the cultural issues inherent in a particular community. These cultural based issues have the potential to either mar or make the business. It can put the organisations in a competitive advantage position, or it can make them weaker than their non-family owned counterparts. This was the position of Gordon & DiTomaso (1992) who posit that the strength of culture and values are predictive of a firm's performance.

Some family firms have been found to outperform their competing non-family firms as a result of the great culture of loyalty, trust and altruism enjoyed in the family firms operation and management. Eddleston (2008) avers that family-firm literature, in general, suggests that family firms outperform nonfamily firms and that an important part of their competitive advantage is due to family culture. Furthermore, Corbetta & Salvato (2004) find that most family firms experience a trust-based business culture. Trust between family members represents an important source of strategic advantage since trust-based relationships serve to reduce complexity and transaction costs (Steier, 2001). Similarly, altruism within the family could lead to superior employment contracts by reducing the necessity of excessive monitoring and incentive-based pay, and by offering the credible threat of sanctions from other family members (Chami, Fullenkamp 2002; De Paola & Scoppa, 2001).

However, this significant competitive advantage FOB enjoys as a result of the culture of trust and loyalty can also be their undoing as excessive trust coupled with the culture of inheritance could prevent the business to grow because professional are not brought in to manage the business. A more capable hand even within the family may be denied the opportunity to manage the firm as a result of hereditary and seniority issues in the culture of the society where the business is found. This could have a negative effect on the performance of the business as the person that is next in line to take over the management and control of the business may mismanage it which could lead to its untimely death.

2.1.5 Professionalism

Professionalism is the act of handing over a business to professionals to handle. Professionals here may include management experts, accountants, financial analysts and the likes. In alignment with this assertion, Henrik (2007) posits that professionalisation of a trade or occupation is the social process by which a trade or occupation transforms itself into a true profession of the highest integrity and competence. The method of professionalising a business involves establishing standards, rules and regulations, structures and strategies.

This act of allowing experts and professionals to oversee businesses has been observed to be responsible for helping businesses to sustain good performance and survive for a long time. Capistrano (2016) states that for a family business to survive there is a need for excellent management, exceptional strategic plans and appropriate structures called professionalisation. Hence, businesses are better off being professionalised than being managed by immature people in the art of business management. Onuoha (2013) is of the opinion that family businesses are more vulnerable to harsh business environments and have more mortality rate; therefore, it will be in their interest to professionalize. He further states that the key to business survival depends to a large extent on its ability to be well managed which entails professionalizing the enterprise.

There are impediments to professionalising FOBs as have been observed by extant literature and key among these impediments is culture. FOBs owners and founders may want to hand over their businesses to their children who may not be professionals. Sometimes, they have trust issues and fear of letting the business slip out of the stronghold of the family. These were among the submissions of Onuoha (2013) who explicates that some of the factors working against professionalization of businesses include the inability or refusal of the founders to delegate because they do not trust people-relations and non-relations; fear of losing control, particularly, in relation to ego identification with the enterprise; and in anticipation of family conflicts, nepotism, role confusion and paternalistic tendencies.

2.1.6 Theoretical framework

This study is anchored on the Systems Theory propounded by Ludwig Von Bertalanffy (1940). This theory emphasises on the need for various components or subsystems to operate as a unit, as a result of this, the output of such coordination and cooperation is usually greater than the result of the individual unit which operates separately. This theory recognises that organisations are made up of various individual units which are expected to operate as a system. Idemobi (2010) posits that "rather than dealing with various segments of an organisation, the systems approach to management views the organisation as a unified, purposeful system composed of interrelated parts". Any action or inaction of any of the subunit has the capacity of affecting the entire system and may either project the organisation positively or negate the performance of the organisation. In corroboration with this, Osuagwo (1985) opines that the activity of any segment of an organisation affects, in varying degrees, the activity of every other segment. In relating this theory to this study, FOB can be seen as a system whose components are the family members which include the father, the mother and the children and members of the extended family. In some cases, outsiders could also form part of the system in the form of shareholders or stakeholders and employees. Habbershon, Williams & MacMillan (2003) use the system theory thinking to describe the family business. According to the authors, the family business social system is a "meta-system" comprised of three broad subsystem components:

a) The controlling family unit – representing the history, traditions, and life cycle of the family.
b) The business entity – representing the strategies and structures utilised to generate wealth.
c) The individual family member – representing the interests, skills, and life stage of the participating family owners/managers.

Culture also helps in engendering the system spirit into the FOB mix as a system, the founder or present owner of a business would like the business to remain within the control of the family without the interference of outsiders, and this appears to affect their performance through negated potential to professionalise.

2.1.7 Empirical review

Some extant works carried out on culture, FOB, professionalisation and performance are as follows:

Bhat & Sham (2013) carried out a study in India to identify the relationship of the performance of family managed businesses with the family business culture to develop a recipe for success for the family managed businesses. Data were collected from 150 family businesses of Ujjain district of (M.P) India and analysed using inferential statistics. Findings revealed that there is overlapping of family values and business values, the performance of the family business is associated with the level of family members' commitment, loyalty and pride toward family business. It also implied that loyalty of members towards family business and common value system of family business and family members may enhance the service quality and the employee satisfaction on the one hand and these may reduce absenteeism and employee turnover on the other hand.

Brice (2013) tried to connect culture and performance in family firms. Survey data measuring cultural attributes and performance were collected from 149 family-firm members in Ukraine, and the U.S. Two countries of very different cultures and stage of national development were included to ensure the cross-cultural validity of the findings. Correlation results showed significant support for the proposition that specific cultural attributes positively affect firm performance. Six out of seven cultural attributes were shown to correlate with one or more performance measures.

Irefin & Hammed (2012) evaluated the effect of culture on the succession planning of entrepreneurship in John Wax Nigeria Limited. Survey research design was adopted by the study, copies of questionnaires were administered to 160 people, comprising of top management staff and middle management staff and customers of John Wax Nigeria limited. The data collected were analysed using descriptive statistic and chi-square method. The results revealed that there is a significant relationship between culture and succession in the multinational organisation, that there is a significant relationship between the cultural elements of the people and effective implementation of plans and that entrepreneur's educational attainment have a significant effect on succession planning in multinational businesses. The study recommended among other things that, there is a need for our culture to be modernised for our succession effort to thrive especially in indigenous businesses in Nigeria.

Aderonke (2014) examined the impact of culture determinants such as age, extended family system, inheritance tradition (preference for sons, marriage, etc.) and education (formal training and development) on family business succession with a focus on small and medium enterprises in Jos Metropolis, Plateau State. Using a cross-sectional survey, structured questionnaire schedule was administered to obtain data from 372 SMEs in various sectors. Data were analysed using summary statistics, binomial logistic regression analysis and Pearson Correlation Coefficient in establishing preliminary relationships among the study variables. The findings of the binomial logistics indicated that all the determinants of culture have a significant impact on the successful succession of family businesses while the result of the Pearson correlation coefficient showed that extended family system followed by inheritance law has the highest magnitude effect on a successful succession of the family business. It was therefore recommended among other things founders of family businesses should put in place sound policies in business operation, and succession plans to forestall any problem that may arise through cultural laws such as extended family system, inheritance law etc. as only through this can a long-term functioning of the business operations be ensured among others.

Onuoha (2012) did a study on professionalising family businesses in the South-East Region of Nigeria. The survey research covered the eight commercial cities of the region. The study revealed that virtually all the family businesses surveyed are not professionalised. Majority of family enterprises have no explicitly stated vision and mission statements, they rarely attended seminars and training programmes; have few graduates and professionals in their employment, have poor wages and salaries structure; not incorporated; few are members of professional and trade associations; and largely not aware of government incentive policies on entrepreneurship development. The study recommended measures such as incorporating family businesses, employing graduates and professionals, having functional boards of directors, employing the services of consultants, striving to be the best at something as these measures will benefit the enterprises and the Nigerian economy.

3. METHODOLOGY

3.1 Research Design

Survey research design was adopted by this study gave that data for the study was collected through a questionnaire from sampled respondents. This makes survey design the best fit for the study.

3.2 Population of the Study

The population of the study consists of 1500 small-scale family businesses. Five hundred (500) of small-scale family business each from Nnewi, Onitsha and Awka representing the three senatorial zones in Anambra State formed the population of the study.

3.3 Sample Size and Sampling Technique

The sample size of the study was 316 determined using Taro Yamane formula as shown below:

$$n = \frac{N}{[1+Ne^2]}$$

Where:
n = sample size.
N = population size (1500).
e = error limit (0.05).

$$n = \frac{1500}{1+1500\,(0.05)^2}$$

n = 316

To determine the allocation of copies of questionnaires in proportion to the population of each of the segment of the state and sample size of the study, Bowley's Proportion Allocation formula was utilised. The formula is given below as:

$$nh = \frac{nNh}{N}$$

Where:
n = total sample size.
Nh = Number of items in each stratum in the population.
N = population size.

- Nnewi 500 (316) /1500 = 105
- Onitsha 500 (316) /1500 = 105
- Awka 500 (316) /1500 = 106

3.4 Instrument of Data Collection

A five-point Likert structured questionnaire was used in collecting data from respondents. The arrangement of the codes are as follows: Strongly Agree (5), Agree (4), Undecided (3), Disagree (2) and Strongly Disagree (1). 316 copies of the questionnaire were distributed to the respondents and 279 collected representing 88% collection rate. After sorting, 17 copies of the questionnaire were discovered to be invalid as most of them were invalidated because of not being completely filled or from mutilation. In the end, 262 copies were analysed which represent a response rate of 83% of the total distributed copies.

3.5 Validity and Reliability of the Instrument

The instrument was subjected to face and content validity to ensure that it measured what was intended. For reliability, the instrument was tested using Cronbach Alpha reliability technique. Inheritance culture has a reliability coefficient of .781 while professionalism a coefficient of .902 which are greater than the benchmark of acceptance of 0.70. The result is shown in Table 1.

Table 1. Reliability statistic

Scales	Cronbach's alpha
Inheritance culture	.781
professionalism	.902

Source: Field Survey, 2018;

Computation: SPSS ver. 20

3.6 Method of Data Analysis

The hypothesis was tested using Ordinary Least Square Regression at 5% (.05) level of significance. If the p-value obtained is greater than .05, the hypothesis should be rejected but if otherwise, the research hypothesis should be accepted. The software used in running this analysis is the statistical package "Statistical Product and Service Solutions (SPSS) Version 20 (Hejase and Hejase, 2013, p.58).

3.7 Data Presentation and Analysis

Table 2 shows the distribution of responses from respondents and mean scores of each of the questionnaire items. Any mean score of 3 and above is considered significant because the respondents agreed while any item which scored less than 3 is rejected.

3.8 Test of Hypothesis

Table 3 shows the result of the simple least regression analysis carried out. From the result, it revealed that there is a positive relationship existing between inheritance culture and professionalism in the selected FOBs. The coefficient of determination (R Square) shows that 88% of the variation in professionalism is accounted for by variation in inheritance culture.

Table 2. Distribution of responses

S/N	Questionnaire items	SA	A	UD	D	SD	Mean
	Inheritance culture						
1	I will hand over my business to my eldest son or a male child in my family.	112	89	19	42	-	**4.03**
2	It is somebody from my family that will succeed me.	80	130	5	35	12	**3.88**
3	I inherited the business from my dad.	34	40	-	188	-	2.69
4	The control of my business will remain within my family.	90	140	6	16	10	**4.08**
5	I will not allow an outsider to take charge of my business.	211	30	21	-	-	**4.81**
	Professionalisation						
6	I will not like anybody to come and tell me what to do in my business.	56	111	-	40	55	**3.28**
7	I believe I do not need help from anybody on how to manage my business.	80	109	31	29	13	**3.82**
8	I know experts will manage my business better.	10	17	78	90	67	2.29
9	I believe that with professionals in my business, I will do better.	19	49	27	70	97	2.32
10	If not for the urge of keeping the business in the family, I will employ experts to help run my	27	90	-	88	57	2.78

business.

Source: Field Survey, 2018.

Table 3. Regression output

Model summary				
Model	**R**	**R square**	**Adjusted R square**	**Std. error of the estimate**
1	.939[a]	.882	.881	2.065

a. Predictors: (Constant), INHERITANCE
Source: Field Survey, 2018.

Table 4. ANOVA output

ANOVA[a]						
Model		**Sum of squares**	**df**	**Mean square**	**F**	**Sig.**
	Regression	8282.208	1	8282.208	1941.321	.000[b]
1	Residual	1109.231	260	4.266		
	Total	9391.439	261			

a. Dependent Variable: PROF, b. Predictors: (Constant), INHERITANCE
Source: Field Survey, 2018.

Table 4 shows the ANOVA result for the relationship existing between inheritance culture and professionalism in the selected FOBs in Anambra State. The result revealed that the relationship observed between the variables as shown in Table 3 is statistically significant given that the F-Statistics obtained is 1941.321, and the probability of the F-Statistics is .000. This means that the relationship is not due to chance. Therefore, the alternate hypothesis which states that there is a relationship existing between inheritance culture and professionalism of selected FOBs in Anambra State is accepted.

3.9 Discussion of Findings

The result of the test of hypothesis shows that there is a significant positive relationship existing between inheritance culture and professionalism. It further indicates that an 88% percent change in professionalism is explained by changes in inheritance culture. That is, the more the culture of inheritance is embedded in the FOB, the more the likelihood of not professionalising the business. When the business owners/founders are bent on making sure that their business ownership and management are transferred to their children, then handing over the business to experts to manage is made impossible. This result aligns with the work of Bhat & Sham (2013) on family managed businesses and family business culture which revealed that there is overlapping of family values of inheritance and business values. The result of this work is also in consonance with the work of Irefin & Hammed (2012) who evaluated the effect of culture on succession planning of an entrepreneurship in John Wax Nigeria Limited also found out that there is a significant relationship between culture and succession. The findings of Aderonke (2014) who examined the impact of culture determinants also corroborate the findings of this study. In the analysis, the study revealed that all the determinants of culture like age and inheritance have a significant impact on the successful succession of family businesses while the result of the Pearson correlation coefficient showed that extended family system followed by inheritance law has the highest magnitude effect on a successful succession of the family business.

4. CONCLUSION

The study concludes that the culture of an environment overlaps with the culture of FOBs found in that area and that the more the owners of the FOBs align with the culture of inheritance, the more likely it is for the business not to be professionalized and this affect the performance of the business negatively which may be part of the reason why most of them do not last long. The implication of this is that the contribution the FOBs are supposed to be made to the economy which will boost the economy of the state and that of the country, in general, is swatted as a result of the untimely death of the businesses.

5. RECOMMENDATIONS

The study makes the following recommendations:

a) Irrespective of the fact that the ownership of the business may remain within the family circle, efforts should be made by the families to employ capable hands of experts to help stair the businesses to the part of growth and sustainability.
b) That even when inheritance is by seniority, that management of the business, if it must remain within the family, should be left in the hands of more capable, effective and efficient family members that have shown commitment and loyalty to the business.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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