

**Entrepreneurial Orientation, Succession Planning and Performance of Family Owned
Businesses in Lagos State, Nigeria**

**Stephen Olajiire OLUWATUKESI
LCU/PG/001783**

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of Management & Social Sciences, Lead City University, Ibadan, Oyo State, Nigeria**

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(PhD) in Business Administration**

Certification

This is to certify that this thesis was carried out by **Stephen Olajiire OLUWATUKESI** with Matriculation number **LCU/PG/001783**, in the Department of Management & Accounting under my thorough supervision in the Faculty of Management and Social Sciences, Lead City University, Ibadan, Nigeria and that this work had not been previously submitted.

Dr. L.A. Balogun
Supervisor

Date

Dr. T.M Akinbo
Head of Department

Date

Dedication

This thesis is dedicated to Almighty God.

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“Even though the above institutions and persons have assisted in the process of this research work, I alone, stand responsible for the errors, if any, found in this work”.

Abstract

Globally Family-Owned Businesses contribute to the success of many economies in the world. However, family-owned businesses in Nigeria have underperformed compared to the top 750 earners globally in 2018 and 2019. Entrepreneurial orientation and succession planning are two strategic options crucial to family-owned business performance. On the strength of the resource-based view, family system and contingency theory the study examined the interaction between entrepreneurial orientation, succession planning, Omoluabi leader and family-owned business performance in Lagos state, Nigeria. This study adopted a quantitative research method, employing a cross-sectional survey research design with a purposive sampling method to test the model. The population consist of eight thousand three hundred and ninety-six (396) family businesses registered in Lagos State with NASME out of which three hundred and sixty-eight sample size was computed using the Cochran sample size formula. Three hundred and seventy-two (372) owners and senior staff members of family businesses in Lagos state filled out the questionnaires with a response rate of 84.3%. The structured questionnaires adapted from past studies were assessed for validity and reliability with Cronbach alpha's coefficient range between 0.774 and 0.934 via a pilot study and face validation by an expert panel comprising three scholars from Lead City University. The Partial Least-Square-Structural Equation Model was designed to assess the significance of the relationship by testing the hypotheses using SamrtPLS 4.0. The result rejected all the research hypotheses. The findings of the study revealed the following: Ho1 = Adj R2 =0.316, p=0.000, Q2 =0.182, entrepreneurial orientation influence 31.6% of customer satisfaction, Ho2 = Adj R2 =0.499, p=0.000, Q2 =0.246 entrepreneurial orientation dimension influences 49.9% of the firm growth Ho3 = Adj R2 = 0.302, p=0.000, Q2 =0.125 succession planning influence 30.2% of the business continuity of family-owned businesses in Lagos state. Ho4 = Adj R2 =0.478, p=0.000, Q2 =0.211 shows that entrepreneurial orientation and succession planning predict 47.8% performance of family-owned businesses in Lagos state. Ho5 moderated analysis = $\beta = 0.125$; $p < 0.025$ shows that omoluabi leadership positively moderates entrepreneurial orientation and performance of family-owned businesses in Lagos state by 0.125. Furthermore, Ho6 = the path from Succession planning to performance is statistically insignificant ($\beta = -0.138$, $t = 1.244$, $p = 0.214$), the path from Succession planning to Omoluabi leadership is statistically significant ($\beta = 0.578$, $t = 7.441$, $p = 0.000$), and the path from Omoluabi leadership to the family business performance in Lagos state, Nigeria, is statistically significant ($\beta = 0.208$, $t = 2.037$, $p = 0.042$). It significantly mediates the interaction between succession planning and family-owned businesses in Lagos state. The study concluded that entrepreneurial orientation and succession planning have a significant effect on the performance of family-owned businesses; omoluabi leadership also moderated the functional relationship between entrepreneurial orientation and the performance of family-owned businesses as well as mediated the relationship between succession planning and the performance of family-owned businesses in Lagos state. The study recommended using omoluabi leadership as a moderator and mediator for family-owned businesses in Nigeria. It also recommended developing underdeveloped sub-dimensions of entrepreneurial orientation and succession planning, as revealed by the inferential statistics.

Keywords: Entrepreneurial Orientation, Succession Planning, Omoluabi Leadership, Family Owned Business.

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List of Acronyms

FOB	Family-Owned Business
SEC	Security and Exchange Commission
PwC	PricewaterhouseCoopers
GDP	Gross Domestic Product
EO	Entrepreneurial Orientation
SP	Succession Planning
MSMEs	Micro, Small and Medium Enterprises
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
MPC	Monetary Policy Committee
CBN	Central Bank of Nigeria
OPEC	Oil Exporting Countries
IMF	International Monetary Fund
CA	Competitive Aggressiveness
I	Innovation
RT	Risk-taking
P	Pro-activeness
AU	Autonomy
AD	Adaptiveness
SMEs	Small and Medium Enterprises
CEO	Chief Executive Officer
OL	Omoluabi Leadership
BS	Bench Strength
TT	Talent turnover
TF	Time of fill

FG	Firm Growth
CS	Customer Satisfaction
BC	Business Continuity
X, W	Independent Variable
Y	Dependent Variable
Z	Moderating/Mediating Variable
RBT	Resource-Based View Theory
FST	Family Systems Theory
CT	Contingency Theory
R&D	Research and Development
PM	Performance measurement
BSC	Balanced Scorecard
SEW	Socio-emotional Wealth
LPC	Least Preferred Co-worker
TQM	Total Quality Management
BO	Brand Orientation
EMO	Export Market Orientation
IM	Inspirational Motivation
IS	Intellectual Stimulation
IC	Individual Consideration
NASME	Nigerian Association of Small and Medium Enterprises
EFA	Exploratory Factor Analysis
AVE	Average Variance Extracted
CR	Composite Reliability