

LEADERSHIP STYLE AND SUSTAINABILITY OF SELECTED FAMILY BUSINESSES IN SOUTH-EAST, NIGERIA

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Abstract

The study aimed at investigating the effect of autocratic leadership style, democratic leadership style and transformational leadership style on sustainability of selected family businesses in South-East, Nigeria. Relevant literature on leadership style and sustainability of selected family businesses was reviewed under conceptual framework, theoretical framework, and empirical review. The research work was anchored on Agency theory. Survey research design was implemented. The population of the study was 548 while 480 was used in the analysis. Multiple Regression Analysis (MRA) method was used in testing the hypotheses. The study discovered that there is a positive relationship between Autocratic leadership style and sustainability of selected family businesses under study. Democratic leadership style has a positive relationship on sustainability of selected family businesses under study. Transformational leadership style has a positive relationship on sustainability of selected family businesses under study. The study concluded that leadership style has a positive relationship on sustainability of selected family businesses in South-East, Nigeria. The study recommended that autocratic leaders should give their subordinates clear and short instructions on what to do and how to do it, democratic leaders should give workers a voice in decisions and transformational leaders should inspire employees who become capable of changing their attitudes and are motivated towards goal achievement.

Introduction

Family businesses have made waves in Africa and developing countries due to its major contributions in terms on job creation, community development, economic growth and the increment of GDP in developing nation such as Nigeria. Sharma (as cited in Inderman, 2013) has explicated that the principle reasoning behind academics conducting research on family-owned businesses has been the recognition of the influence and significance of these businesses in the global economic landscape. Ibrahim, McGuire & Soufani (as cited in De Witt, 2015) have argued that family businesses represent the oldest and most prevalent form of business ownership world-wide. The key to family business success and sustainability lies in effective leadership style. The way the successor leads, inspire and manages its employees determines the survival rate of the family businesses.

Family businesses are being recognized by their significant economic presence throughout history. Family businesses are among the longest-lived, most prevalent institutions in the world (Astrachan, 2010). According to the European Family business statistics for 2012 an estimated 70%-90% of global GDP annually is created by family businesses. The vast impact of family business is further proved by the creation of 50%-80% of the jobs in the majority of countries worldwide, also 85% of start-up companies are established with family money estimations

indicate that in most countries around the world, family businesses are between 70 and 95% of all business entities (Die'guez-Soto, Delgado & Ram'irez, 2013)

In this modern age, family businesses has contributed to nation development. In Spain, FOB contribute to 65 percent of the country's Gross National Product or GNP (on average), while on the other hand there was a fact that about 60 percent of the aggregate GNP in Latin America was made by FOB (Maharani, Dharmawan, Eriyatno & Mayasari, 2013); In China 70% of large enterprises were family-owned; In United States, 24 million family businesses have absorbed 62% of the workforce and accounts for 64%; In India, 16 of the 20 key business sectors and 66% of private sector assets were controlled by family firms and research has shown that family businesses in Nigeria contribute 46.54% to GDP (Utami, Bernardus & Sintha (2017)).

Leadership style is inherent in the design and implementation of family businesses and very few studies have addressed this topic in the past 20 years (Efferin & Hartono, 2015). In a family business, it is not a simple matter for the successor to successfully take over the heavy responsibility of leadership from the predecessor to ensure that the company continues to develop while maintaining harmony among its various family members and stakeholders (Oudah, Jabeen & Dixon, 2018). Several researches have conducted empirical literature over the decade as it relates to leadership styles especially in family-owned businesses. Despite these numbers of studies, little empirical studies exist on leadership style and sustainability of selected family businesses.

Statement of the Problem

In Nigeria, Family-owned businesses contribute to economic growth and account for a significant proportion of registered businesses, economic development, wealth creation, and employment in most developed and emerging economies (Over 70% of registered businesses in the developed and developing countries are family businesses, which also account for over 60% of the total workforce and tax income of these economies (Poza & Daugherty, 2014). Family businesses face similarly high failure rates, with only 33% surviving past the first generation (De witt, 2015).

The collapse of these businesses is highly caused by the poor leadership style by the successor. The inability of the successor to lead, motivate its employees to optimal job performance and satisfaction has led to discontinuity and eventual close down of business which have affected job creation for a large number of unemployed youth, tax contribution to the economy, and source of living for families of owners in both short and long terms (Saan, Enu-Kwesi and Nyewie, 2018). To this effect, this study attempts to critically analyze leadership style on sustainability of selected family businesses in South-East, Nigeria.

Objectives of the Study

The major aim of this study is to examine leadership style and sustainability of family businesses in south-east, Nigeria. The specific objectives include to:

1. Determine the effect of autocratic leadership style on sustainability of family businesses;
2. Examine the influence of democratic leadership style on sustainability of family businesses;
3. Evaluate the effect of autocratic transformational leadership style on sustainability of family businesses;

Research Questions

In line with the objectives the following research question were articulated to guide the study.

1. To what extent does autocratic leadership style affect sustainability of family businesses?
2. To what extent does democratic leadership style influence sustainability of family businesses?
3. To what degree does transformational leadership style affect sustainability of family businesses?

Hypotheses

The following hypotheses were articulated in line with the objectives of this study. The hypotheses are stated in null form

H₀₁: Autocratic leadership style has no significant positive effect on sustainability of family businesses;

H₀₂: Democratic leadership style has no significant positive influence on sustainability of family businesses;

H₀₃: Transformational leadership style has no significant positive influence on sustainability of family businesses;

Significance of the Study

This study when completed will assist tertiary institutions, business organizations in their operations and enable them to understand the different type of leadership styles and its dire impact to sustainability of family businesses.

Institutional Level: It will help the management of the tertiary institutions to change or review leadership style, factor, motivational policies and strategies in vogue which will inevitably cause decrease in employee performance and foreclosure of family businesses.

Policy Markers: The study will be essential for all policy makers because it will show them the leadership style to implement that will give optimal performance from its employees in their family businesses.

Further Research Works: It will surely impart learning, contribute to knowledge and serve as a base for further research works in areas relating to leadership style and sustainability of family businesses.

Finally, this research piece will undoubtedly be a wealth of knowledge to students of business administration, personnel management and other disciplines.

Scope of the Study

This study covers the effect of leadership style and sustainability of family businesses in South-East, Nigeria. The independent variables were autocratic leadership style, democratic leadership style and transformational leadership style while the dependent variable was sustainability of family businesses. South-East, Nigeria serves as the geographical scope of the study. The employees and founders of family businesses were used as the unit of study.

Limitations of the Study

The researcher in the course of executing this research work encountered some limitations. Prominent among these limitations are paucity of empirical and theoretical materials, non-challant attitude of the respondents, and the concurrency of this research work. However, the researcher tried his possible best to ensure that these limitations do not affect the validity of this research work.

Review of Related Literature

Conceptual Framework

Concept of leadership style

Leadership styles play a very special role in family businesses because they are exposed to a fierce competition for talented employees both between organization of different size and the large ones in the Retention of qualified employees depends to a significant degree on quality of work life (Dyczkowska&Dyczkowski, 2018). Leadership style is a critical path to succession planning and has a direct impact on long term business profitability and goal attainment (Akani, 2015). Leadership is defined as a motivation that influences people to have the same vision to achieve, and how a leader leads and influences his subordinates to reach organizational goals (Yeliz, Özge&Fatma, 2018). Employees are more committed to their work and willing to release creativity as a results of the confidence entrusted once they are happy with their leaders. Leadership is the process of influencing others to understand and agree about what needs to be done and how to do it, and it is the process of facilitating individual and collective efforts to accomplish shared objectives (Yukl, 2010). It is important because it affects organizational effectiveness. The conditions for culture formation and evolution. Leaders' values are considered as the source of organizational culture to create internal integration among organizational members. Leadership is culturally contingent because societal culture has expectations regarding the roles of leadership and characteristics with respect to the way things ought to be done in a society (Jogulu, 2010). Therefore, a leader should know what leadership skills and knowledge are valued in a society to develop different leadership competencies in different workplaces.

Concept of Family businesses

Various authors have attempted to identify the intrinsic qualities and fundamental nature of FBs (Die'guez-Soto, Lo'pez-Delgado &Rojo-Rami'rez, 2014). The past few decades' research related to family business has predominantly struggled with defining family business and their main characteristics. Despite various definition in literature provided by many researchers related to family business it can be stressed that there is no general agreement to what should be considered as a family business (Debarliev&Janeska-Iliev, 2015). Family business" is defined as a company in which a family possesses dominant ownership and controlling management. The values of the owning family are dominant in family business because they are transferred to non-family employees and become a collective guidance to reach organizational objectives (Dyer, 2006). Family business as defined by family businesses are a distinct form of enterprise with the most notable difference being the unique overlap of family, ownership and management within the enterprise (Debarliev&Janeska-Iliev, 2015). "Any combination of two or more persons who are bound together by ties of mutual consent, birth or/and adoption of placement and who, together, assume responsibility for, inter alia, the care and maintenance of group members, the addition of new members through procreation or adoption, the socialization of children, and the social control of members (Zahra, 2017). Family businesses are a distinct form of enterprise with the most notable difference being the unique overlap of family, ownership and management within the enterprise (Wang, 2010).

Concept of Business Sustainability

The issue of sustainability is deeply rooted in the Industrial Revolution, Firms and industries have for centuries taken advantage of natural resources to fill their needs for energy and raw materials (Bergquist, 2017). It must be emphasized that the concept of business sustainability is based on long-term thinking, not a short-term perspective (Ritika and Montu, 2018). Business sustainability is also known as corporate sustainability, is the management and coordination of environmental, social and financial demands and concerns to ensure

responsible, ethical and ongoing success (Rouse, 2013). Sustainability is reflected in long term competitive advantage, on the business ability to thrive over time, to survive their founders and to accommodate to changes in the business environment, to respond to new regulation and to secure the support of other parties that supply critical resources (Biggemann, Williams & Kro, 2013).

Theoretical Framework

This research work is anchored on Agency theory

Agency was developed by Jensen and Meckling in 1976. They suggested a theory of how the governance of a company is based on the conflicts of interest between the company's owners, its managers and major providers of debt finance. Chrisman, Kellermanns, Chan, & Liano (as cited in Kallmuenzer, 2015) have argued that the conceptual domain of agency theory is one of the dominant organisational theory perspectives applied in current family business research and generally arise due to individuals' self-interest and decision making based on rational thinking and oriented toward own preferences. The relationship between ownership and control in an organization, especially among stockholders, the capital owners, and the managers, those who manage such capital by delegation of the former, and how this relationship has an effect on the performance of the company; in this logic, the stakeholder seeks to balance the cost of monitoring the behavior of the manager and to monitor the results and therefore transfer his risk to the manager (Woodman, 2017).

The implication of this theory in this study is that in family firms, it is often assumed that ownership and management are aligned within the same family or even the same person. With more people involved in decision-making, such as through the separation of ownership and management, agency costs occur due to different preferences and information asymmetries between the owner (principal) and the employed management (agent). So therefore it improves the knowledge of the founder on how to structure contractual relationships and monitoring mechanisms in family firms to reduce agency costs

Theoretical Exposition

Autocratic leadership style and sustainability of family businesses

Leaders under autocratic leadership are led by the ability to withhold or give rewards and punishment. Autocratic leadership is extremely important when quick decisions are needed which is usually the case for family businesses. In this case there is no need to involve workers because it will delay the decision making process. However, there are many times in a family business this type of leadership is prevalent even though there is a small group of employees. (Inderman, 2013).

Michael (as cited in Al-Mahayreh, Kilani & Harahsheh, 2016) stated that they do not embrace a shared vision, innovation, commitment, and creativity are eliminated by this leadership style. Followers of autocratic leaders are believed to bide their time as they wait for the failure of their leaders. Owners of family businesses should encourage team-working in small groups, where individual members become closer to one another, causes that employees feel committed to performing tasks, since their efforts and performance may be easily noticed and appreciated.

Democratic leadership style and sustainability of family businesses

A democratic leadership style is important when team agreement matters but it can be quite difficult to manage when there are lots of different perspectives and ideas. According to Koontz & Wehrich (2010) the following features describe democratic or participative leaders: involve people in decision making and goal setting; attitudes, feelings, suggestions of members are

considered while making decisions; freedom of thinking and action is available to a reasonable extent; two way, open communication between members; and the opportunity to use one's potential in the service of the organization exists (Inderman, 2013).

Transformational leadership style and sustainability of family businesses

The concept of transformational leadership which was developed by Burns (1978) and extended by Bass (1985) is close to the democratic leadership style. Transformational leaders inspire employees who become capable of changing their attitudes and are motivated toward goal achievement. To make it happen, leaders apply four behavioral attitudes which refer directly (individual consideration) or indirectly (intellectual stimulation, inspirational motivation, idealized influence) to the participative management style. Moreover, leaders who demonstrate such an attitude toward subordinates enhance two-way communication and become more sensitive to ideas and proposals coming from staff members (Dyczkowski&Dyczkowski, 2018). Khalifa&Ayoubi (2015) stated that transformational leaders laid emphasis on moral values and conducts, and the impacts on behaviors inspired and motivated their followers to find a meaning of work and to apply their intellectual strength to solve problems and question known assumptions. Tromp &Blomme (2014) noted that the key element of Transformational leadership was the ability to inspire followers through an appealing future vision of the organization, setting high-performance objectives, and encouraging their subordinates to achieve them.

Leadership style and Sustainability of Family Business

The lack of sustainability of family businesses over multiple generations is also evident in South-east, Nigeria. In fact, most family businesses do not survive past the second generation. FBs have low survival rates due to the various encountered challenges, such as increased market competition and business life cycle maturity, limited capital to satisfy business and family needs, weak leadership in succeeding generations, resistance to change, a lack of entrepreneurship, disputes between family successors and desperate family needs and goals (Oudah, Jabeen& Dixon, 2017).

According to Ungerer&Mienie (2018), there are a number of obstacles for family firms to grow and survive in the long term. These demands include normal business challenges such as being part of a business lifecycle, intensifying competition, and new technologies. Another aspect is risk aversion due to high levels of ownership concentration and intentions to maintain family control which influences decisions to take on growth opportunities. A well-developed sustainability plan will help family businesses to mitigate risk and position it for leverage opportunities for value creation. Sustainability is relevant for family owned businesses which are strongly connected to their communities and are oriented toward preserving wealth and ensuring success for future generation (Mason, 2011).

Empirical Review

Nwuke (2017) studied Leadership Transition Strategies for Medium-Sized Family Businesses' Sustainability. The population for this study included 3 family business leaders in Lagos and Port Harcourt in Nigeria who have sustained their family businesses after the leadership transition from their founders. The conceptual framework for the study was based on the transformational leadership theory and the theory of planned behavior. Data collection was through semi structured face-to-face interviews and from company documents and artifacts. Data analysis was supported by follow up questions and member checking to enhance the credibility and trustworthiness of interpretations. The 4 themes that emerged were the founders' desire and support for transition, preparation of successors, trust and credibility of successors, and clarity of vision for both the founders and the successors. The findings from this study could

contribute to positive social change by providing family business owners with strategies for managing leadership transitions to enable them to sustain their business operations after these transitions. Sustaining the family businesses might lead to a reduction in unemployment and enhance the incomes and well-being of the family members, communities, and Nigerian economy.

Inderman (2013) studied family-owned businesses: an assessment of the various leadership styles and its influence on management decision-making. The literature acknowledges that management leadership styles play an important role within family-owned businesses in terms of decision making. The research consists of quantitative analysis conducted on a family-owned business in Kwa-Zulu Natal, South Africa. The target population selected for this study consisted of forty-two employees. Respondents were surveyed using a forced choice questionnaire. Findings revealed that the laissez faire and democratic leadership styles seem to be predominant at the organisation. However, there is still a need for more transformational leaders within the organisation, in an attempt to enhance the motivation, morale, and performance of employees. Leaders should create an environment of team spirit as people work more effectively when they feel acknowledged as part of a team. Failure to do so could hamper the growth of the family business.

De witt (2015) investigated the influence of leadership styles on the business performance of family businesses in the Eastern Cape. Family business owners and employees working in the family business were approached by fieldworkers and asked to participate in the study. In total, 266 questionnaires were usable, 133 from family business owners and 133 from family business employees. Descriptive statistics were calculated in order to summarise the sample data, while t-tests were used to determine whether the differences in mean scores returned by the family business owner and employee sample groups for the leadership styles under investigation, were significantly different from each other. Pearson's product moment correlations were used to assess the associations between the variables under investigation. A multiple regression analysis (MRA) was used to assess the relationships between the independent variables and the dependent variable Perceived business performance. The findings of this study show that for both the family business owner and employee sample group, Ethical leadership returned the highest mean score, followed by Servant and Participative leadership.

Dyczkowska & Dyczkowski (2018) studied Democratic or Autocratic Leadership Style? Participative Management and its Links to rewarding Strategies and Job Satisfaction in SMEs. The paper aims at detecting relations between participative management and rewarding strategies as well as employees' job satisfaction in SMEs. Unlike many studies which examine effectiveness of rewarding policies from a managerial perspective, the article takes employees' point of view. The empirical part of the paper presents conclusions resulting from analyses of: employee strategic awareness, involvement in goal-setting processes and integration in discussion on company performance, linked to diverse rewarding systems applied in Polish enterprises. Results presented in the paper refer to data from 93 SMEs and 86 large companies, collected at the turn of 2013 and 2014. The authors' research contributes to the discussion on rewarding strategies, demonstrating that involvement of employees in managerial activities is a precondition for developing performance-based rewarding strategies, and that such involvement makes employees more satisfied with their work. Thus the paper fills in the research gap on linking leadership styles with forms of and satisfaction with remuneration systems.

Onyeukwu & Jekelle (2019) investigated Leadership succession and sustainability of small family owned businesses in South-East, Nigeria. The study employed the survey research design which was carried out in Onitsha and Nnewi commercial and industrial hubs of Anambra state. The simple random sampling technique was employed to select a sample of 298 registered small business owners. A five point likert structured 6-item questionnaire was adopted for data collection. Pearson product moment correlation was employed to determine the relationship between the dependent and independent variables. The findings revealed that, mentoring and human capital development has significant influence on sustainability of small family owned businesses. The study therefore recommended that family business owners should identify the successor early enough, adopt mentorship process and the successor must however show willingly shoe genuine interest and is not coerced into the business, and adequate time should be devoted for training of chosen successors, in order to equip them with relevant skills that will make their businesses survive beyond the present through several generations.

Lkama, Akinniyi&Lkama (2018) examined Leadership planning for succession of small and medium scale enterprises for entrepreneurs in Nigeria. The population consisted of 93 SMEs owners. Questionnaire was used to elicit data. Mean and standard deviations was used to answer the research questions while t-test was used to test the null hypotheses. The study found out that common practices of leadership succession were not practiced in the northern part of Nigeria. The study recommended that leadership succession programmes should be strengthened to prolong the life span of the SMEs. It concludes that there should be deliberate strategic plans by the owners of industries for leadership succession in northern, Nigeria.

Summary of the Literature Review

The related literature was reviewed under the following sub-heading conceptual framework which deals with the definition of the dependent and independent variables within the scope of the topic under study. The theoretical framework was anchored on agency theory (1976). The theoretical exposition examine the effect of the independent on dependent variable.

Gap in Literature

From the literature review above, the relationship between how leadership style has an effect on sustainability of family firms is not specifically spelt out brought as far as the variables under investigation are concerned. Most researchers have investigated the perceptions of leadership style has an effect on sustainability of family firms from various countries such as Nigeria, Pakistan, and Kenya. From the empirical review, much is known about the study of family business sustainability in South-East, but that knowledge is scattered and not integrated also provides the basis for this research. This study will therefore investigate and also try to bridge the gap on how leadership style has an effect on sustainability of family firms in south-east, Nigeria.

Methodology

Research Design

The study adopted survey research method. This method was chosen because it is designed to scientifically describe phenomena and their relationships in the actual environment after a given time, given that a survey must depend instead on samples of respondents drawn from the population and considered a representative of the population.

Area of the Study

This study was conducted in South-East, Nigeria. South-East, Nigeria consists of five states; Anambra, Enugu, Abia, Imo, and Ebonyi. Stratified sampling was used in selecting the family businesses due to the large number of family business in these states.

Population of the Study

The population of study is made up of total employees and founders of the selected family businesses. A breakdown of the population of the selected family businesses are shown in the table below:

Table 3.1: Study Population

s/n	Family businesses	No. of Employee
1	Juhel Nig. Limited, Awka	124
2	Ibeto group of companies, Nnewi	102
3	Solomentoatuo service Centre, Owerri	34
4	Rock view Hotel, Owerri	86
5	AloAluminiumAbakili Road, Enugu	36
6	Kings Okwy Construction Abakiliki Road, Enugu	38
7	Ikeson Fancy Nig. Limited Ariaria, Aba	18
8	Heartland hotels, Aba	29
9	Phoenix hotels and garden, Abakaliki	21
10	Austoma filling station, Abakaliki	60
	TOTAL	548

Source, 2020: Personnel Departments of the Respective Family businesses

Sources of Data

Primary data were employed for the study. Primary data is the data which is collected by researcher himself for the specific research purpose. This study made use of questionnaire to generate the primary data.

Instrument for Data Collection

The instrument that was employed for data collection was questionnaire designed by the researcher. The instrument consists of two parts. Part 1 gathered demographic information about the respondents. Part 2 of the instrument is a 5-point Likert scale instrument. The scale were 5(Strongly Agree), 4(Agree), 3(Undecided) 2(Strongly Disagree), 1(Disagree). The questionnaire is close-ended in nature designed to elicit information on the leadership style and sustainability of family businesses in South-East, Nigeria.

Validity of the Instrument

The study used face and content validity in this research work. The draft instrument was first given to two lecturers in Business Administration department in ChukwuemekaOdumegwuOjukwu University, Igbariam Campus for validation before the supervisors finally face validated it. Their corrections and suggestions were incorporated into the final draft of the questionnaire. The questionnaire is attached in appendix I.

Reliability of the Instrument

In the literature, three main types of reliability have been identified by researchers. For the purposes of this study however, internal consistency is the main emphasis. Thus, the study employed Cronbach's alpha to verify the internal consistency of the construct in order to achieve reliability. The research instruments was deemed as reliable if the reliability coefficient

was between 0.7 and 0.8 (Coldwell and Herbst, 2004). Thirty copies of questionnaire was given to 30 respondents from the selected family businesses and their response was gathered and computed with the aid of SPSS version 21. A Cronbach's Alpha value of 0.722 which is within the acceptable region was obtained showing that the instrument is reliable.

Method of Data Analysis

The data generated were analyzed using simple percentages. Multiple regression was used to test the hypotheses formulated exclusively for this study. The following features of multiple regression analysis will be used to analyze to analyze the data and test the hypotheses.

The Coefficient of Determination (R²): The R² denotes the percentage of variations in the dependent variable accounted for by the variations in the independent variables. Thus, the higher the R², the more the model is able to explain the changes in the dependent variable. Hence, the better the regression based on MRA technique, and this is why the R² is called the co-efficient of determination as it shows the amount of variation in the dependent variable explained by explanatory variables. However, if R² equals one, it implies that there is 100% explanation of the variation in the dependent variable by the independent variable and this indicates a perfect fit of regression line. While where R² equals zero. It indicates that the explanatory variables could not explain any of the changes in the dependent variable. Therefore, the higher and closer the R² is to 1, the better the model fits the data. Note that the above explanation goes for the adjusted R².

The F-test: The F-statistics is used to test whether or not, there is a significant relationship between the dependent and the independent variables. In the regression equation, if calculated F is greater than the table F table value at the chosen level of significance, then there is a significant impact between the dependent and the independent variables in the regression equation.

Test for Autocorrelation: The Durbin-Watson (DW) test is appropriate for the test of Second-order autocorrelation and it has the following criteria.

4. If d* is approximately equal to 2 (d* =2), we accept that there is no autocorrelation in the function.
5. If d* = 0, there exist perfect positive auto-correlation. In this case, if 0 < d* < 2, i.e. if d* is less than two but greater than zero, it denotes that there is some degree of positive autocorrelation, which is stronger the closer d* is to zero.
6. If d* is equal to 4 (d* =4), there exist a perfect negative autocorrelation, while if d* is less than four but greater than two (2 < d* < 4), it means that there exist some degree of negative autocorrelation, which is stronger the higher the value of d*.

Test for Research Hypotheses: This study will test the research hypothesis using t-test. The t-statistics test tells us if there is an existence of any significance relationship between the dependent variable and the explanatory variables. The t-test will be conducted at 0.05 or 5% level of significance.

Decision rule: Reject H₀ if t_{cal} > t_{α/2}, (n-k). Otherwise, we accept.

The statistical package for social sciences (SPSS) version 21 will be employed to test the hypotheses. The regression model is represented as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \epsilon \quad (1)$$

Where:

Y = dependent variable

α = Constant Term

β = Beta coefficients

X₁ to X₄ = Independent variables

ϵ = Error Term

Y = Family Businesses (FBs)

X₁ = Autocratic leadership style (ALS)

X₂ = Democratic Leadership Style (DLS)

X₃ = Transformational Leadership Style (TLS)

Data Presentation and Analysis

In this section, the data generated were presented, analyzed and interpreted. A total of five hundred and forty-eight copies of questionnaire were distributed to the respondents, out of which four hundred and eighty copies of the questionnaire were properly filled and found relevant to the study. The remaining 68 copies were either not properly filled and some were not returned. Therefore, the analysis in this section will be based on the four hundred and eighty copies relevant copies.

Presentation of Data

SECTION A

Table 4.1.1: Socio-Economic Profile of the Respondents.

This table is the analysis of the socio-economic profile of the ten selected family business in South-East, Nigeria.

Table 4.1.1 DEMOGRAPHIC DATA OF RESPONDENTS

ITEM	RANGE (YEARS)	FREQUENCY	PERCENTAGE
Males		232	51
Female		248	49
Total		480	100
Age:	20-29	105	22
	30-39	160	33
	40-49	102	20
	50-59	64	13
	60 & above	49	10
Total		480	100
Educational qualification	GCE/WASCE	119	25
	OND/NCE	78	16
	HND/B.Sc	221	46
	M.Sc/MBA/Others	62	13
Total		480	100
Work Experience	>1 year	76	16
	1-5years	107	22
	6-10years	147	30
	10years & above	150	31
Total		480	100
Job positions	Top management/owners	196	41
	Middle management	137	29
	Operational staff	147	30
total		480	100

Source: Field Survey, 2020

Table 4.1.1 indicates that 232 staff are males while 248 are females. This is presented by 51% and 49% respectively. Concerning the age, majority is within the age range of 30-39 and 20-29 years. These are represented by 160 respondents and 33% and 105 respondents and 22%. The minorities are within the range of 40-49 years represented by 102 and 20%, 50-59 represented by 64 and 13%, and 60 years and above represented by 49 and 10%. Concerning the educational qualification, majority of the workers shows that they obtained tertiary educational qualification. This is represented by 221 respondents and 46%. About work

experience, 10 years and above experience is represented by 150 respondents and 31%, 6-10 years' experience and it is represented by 147 respondents and 30%, > 1 year represented by 76 and 16% and 1-5 years represented by 107 and 22%. About job position, majority are top management or owners and is represented by 196 respondents and 41%.

Research Question 1: To what extent does autocratic leadership style affect sustainability of selected family businesses in South-East, Nigeria?

Table 4.1.2: Responses on autocratic leadership style and Sustainability of Family Businesses.

	SCALE					TOTAL
	SA,	A,	U,	D,	SD	
An autocratic leader provides fast crisis management on family business.	205 (43)	156 (32)	27 (6)	69 (14)	23 (5)	480 (100)
Decisions are made faster in family businesses because they don't deal with the hassle of multiple leadership levels	202 (42)	137 (29)	54 (11)	66 (14)	21 (4)	480 (100)
It can create an unwelcome culture within the family business	223 (46)	134 (29)	48 (10)	36 (7)	39 (8)	480 (100)
It ignores the skills of competent workers in the family business	192 (40)	199 (41)	20 (4)	29 (6)	30 (6)	480 (100)
This leadership style can produce authoritative short term result	267 (55)	161 (33)	14 (3)	14 (3)	24 (5)	480 (100)
Total	218 (45)	158 (33)	34 (7)	43 (9)	27 (16)	480 (100)

Note: The figures in Parenthesis are Percentages

Source: Field Survey, 2020

In table 4.1.2 five test questions were posed to determine the extent to which autocratic leadership style affect sustainability of selected family businesses in South-East, Nigeria. The first test question was to determine if autocratic leadership style enables the leader provide fast crisis management on family business. From the responses 43% strongly agreed, 32% agreed, 6% remained undecided, 14% disagreed and 5% strongly disagreed. The second test was posed to ascertain if autocratic leadership style makes Decisions to be made faster in family businesses because they don't deal with the hassle of multiple leadership level. From the responses 42% strongly agreed, 29% agreed, 11% remained undecided, 14% disagreed and 4% disagreed.

The third test question sought out to determine if autocratic leadership style create an unwelcome culture within the family business. From the responses 46% strongly agreed, 29% agreed, 10% remained undecided, 7% disagreed and 8% strongly disagreed.

The fourth test question was to ascertain if autocratic leadership style ignores the skills of competent workers in the family business. From the responses 40% strongly agreed, 41% agreed, 4% remained undecided, 6% disagreed and 6% strongly disagreed.

The fifth test question sought out to determine if if autocratic leadership style can produce authoritative short term result. From the responses 55% strongly agreed, 33% agreed, 3% remained undecided, 3% disagreed and 5% strongly disagreed.

The table shows that 45% of the respondents on the average strongly agreed with the Statement of the items, 33% agreed, 7% were undecided, 9% disagreed and 16% strongly disagreed. Highlight of the Statement of the items shows that autocratic leadership style affect sustainability of selected family businesses in South-East, Nigeria.

Question 2: To what degree does democratic leadership style influence sustainability of selected family businesses in South-East, Nigeria?

Table 4.1.3: Responses on democratic leadership style and Sustainability of Family Businesses.

	SCALE					TOTAL
	SA,	A,	U,	D,	SD	
It create employee job satisfaction by encouraging members in the decisions which need to be made	197 (41)	171 (36)	57 (12)	34 (7)	21 (4)	480 (100)
It encourage innovation and creative solutions to family business issues and problems	184 (38)	182 (38)	46 (7)	34 (10)	7 (7)	480 (100)
Reduction of efficiency and accountability in family businesses	193 (40)	169 (35)	73 (16)	20 (4)	26 (5)	480 (100)
Encourages team-based relationships among employees and the founder	169 (35)	197 (41)	42 (7)	25 (5)	55 (11)	480 (100)
Decision making is slow in family businesses	182 (39)	179 (37)	39 (8)	44 (9)	36 (7)	480 (100)
Total	185 (37)	180 (37)	47 (10)	34 (7)	34 (7)	480 (100)

Note: The figures in Parenthesis are Percentages

Source: Field Survey, 2020

In table 4.1.3 five test questions were posed to determine the degree to which democratic leadership style influences sustainability of selected family businesses in South-East, Nigeria.

The first test question was to determine if it create employee job satisfaction by encouraging members in the decisions which need to be made. From the responses 41% strongly agreed, 36% agreed, 12% remained undecided, 7% disagreed and 4% strongly disagreed.

The second test was posed to ascertain if it encourage innovation and creative solutions to family business issues and problems. From the responses 38% strongly agreed, 38% agreed, 7% remained undecided, 10% disagreed and 7% disagreed.

The third test question sought out to determine if it result to Reduction of efficiency and accountability in family businesses. From the responses 40% strongly agreed, 35% agreed, 16% remained undecided, 4% disagreed and 5% strongly disagreed.

The fourth test question was to ascertain if it encourages team-based relationships among employees and the founder. From the responses 35% strongly agreed, 41% agreed, 7% remained undecided, 5% disagreed and 11% strongly disagreed.

The fifth test question sought out to determine if Decision making is slow in family businesses. From the responses 39% strongly agreed, 37% agreed, 8% remained undecided, 9% disagreed and 7% strongly disagreed.

The table shows that 37% of the respondents on the average strongly agreed with the Statement of the items, 37% agreed, 10% were undecided, 7% disagreed and 7 strongly disagreed. Highlight of the Statement of the items shows that democratic leadership style influences sustainability of selected family businesses in South-East, Nigeria.

Research Question 3: To what degree does transformational leadership style influence sustainability of selected family businesses in South-East, Nigeria?

Table 4.1.4: Responses on transformational leadership style and Sustainability of Family Businesses.

	SCALE					TOTAL
	SA,	A,	U,	D,	SD	
It encourage employees and family members to look beyond their self-interest toward the greater good of the family business.	189 (39)	15457 (32)	49 (12)	31 (10)	(6)	480 (100)
It lowers staff turnover by making people feel more engaged and included in the family business	164 (34)	197 (41)	64 (13)	11 (2)	44 (9)	480 (100)
It keeps the family business open and ethics-focused which encourages the employees to stick to the straight and narrow act in the best interest of the family business	193 (40)	199 (41)	57 (12)	15 (3)	16 (3)	480 (100)
It gives room for empowerment and morale through better communication.\	179 (37)	182 (38)	45 (9)	34 (7)	30 (6)	480 (100)
It gives employee a lot of freedom and requires a continuous feedback loop.	196 (41)	15239 (32)	61 (8)	32 (13)	(7)	480 (100)
Total	184 (38)	177 (37)	52 (11)	34 (7)	31 (6)	480 (100)

Note: The figures in Parenthesis are Percentages

Source: Fieldsurvey, 2020

In table 4.1.4 five test questions were posed to determine the degree to which transformational leadership style influences sustainability of selected family businesses in South-East, Nigeria?

The first test question was to determine if it encourage employees and family members to look beyond their self-interest toward the greater good of the family business. From the

responses 39% strongly agreed, 32% agreed, 12% remained undecided, 10% disagreed and 6% strongly disagreed.

The second test was posed to ascertain if it lowers staff turnover by making people feel more engaged and included in the family business. From the responses 34% strongly agreed, 41% agreed, 13% remained undecided, 2% disagreed and 9% disagreed.

The third test question sought out to determine if it keeps the family business open and ethics-focused which encourages the employees to stick to the straight and narrow act in the best interest of the family business. From the responses 40% strongly agreed, 41% agreed, 12% remained undecided, 3% disagreed and 3% strongly disagreed.

The fourth test question was to ascertain if it gives room for empowerment and morale through better communication. From the responses 37% strongly agreed, 38% agreed, 9% remained undecided, 7% disagreed and 6% strongly disagreed.

The fifth test question sought out to determine if it gives employee a lot of freedom and requires a continuous feedback loop. From the responses 41% strongly agreed, 32% agreed, 8% remained undecided, 13% disagreed and 7% strongly disagreed.

The table shows that 38% of the respondents on the average strongly agreed with the Statement of the items, 37% agreed, 11% were undecided, 7% disagreed and 6% strongly disagreed. Highlight of the Statement of the items shows that transformational leadership style influences sustainability of selected family businesses in South-East, Nigeria?

Multiple regression analysis was employed to determine the effect of the independent variables on the dependent variable. The essence is to ascertain the effect of leadership style on sustainability of selected family businesses in south-east, Nigeria.

Table 5: Summary of Regression Result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.174a	.530	.617	3.197	2.745

a. Predictors: (Constant), Autocratic leadership style, Democratic leadership style and transformational leadership style.

b. Dependent Variable: sustainability of family businesses

Source: SPSS Ver. 21

Table 4.3.1 above indicates that R^2 which measures the strength of the effect of independent variable on the dependent variable have the value of 0.530. This implies that 53.0% of the variation in sustainability of family businesses is explained by variations in leadership style variables (autocratic leadership, democratic leadership and transformational leadership). This was supported by adjusted R^2 of 61.7%. The Durbin-Watson statistics was employed to check for autocorrelation in the model. Durbin-Watson statistics of 2.742 show that the variables in the model are not auto-correlated and are therefore, reliable for predications.

ANOVA Result

Table 2: Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	112.562	5	22.512	72.203	.004 ^a
	Residual	3587.511	351	10.221		
	Total	3700.073	356			

a. Predictors: (Constant), Autocratic leadership style, Democratic leadership style and Transformational leadership style.

b. Dependent Variable: sustainability of family businesses

Source: SPSS Ver. 21

The F-test is applied to check the overall significance of the model. The F-statistic is instrumental in verifying the overall significance of an estimated model. The f-statistics value of 72.203 in table 2 above with probability value of 0.004 shows that the independent variables has significant effect on dependent variable. This shows that Autocratic leadership style, Democratic leadership style and Transformational leadership style and can collectively explain the variations in sustainability of family businesses. This shows that leadership style has a significant positive effect on sustainability of family businesses in South-East, Nigeria.

Test of Hypotheses

Here, the three hypotheses formulated earlier in this study were tested using the t-statistics and probability from the coefficient result of the multiple regression analysis. The results are presented the table 4 below.

Table 6: Coefficients of the Regression Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	22.159	1.757		12.612	.000
Autocratic leadership style	1.040	.040	.054	2.003	.007
Democratic leadership style	.056	.042	.071	2.340	.001
Transformational leadership style	1.108	.042	.140	3.580	.000

a. Dependent Variable: sustainability of family businesses.

Source: SPSS Version 21.0

Test of Hypothesis One

Ho₁: Autocratic leadership style has no significant positive effect on sustainability of family businesses.

Hi₁: Autocratic leadership style has a significant positive effect on sustainability of family businesses.

Table 4.4.1 above indicates that Autocratic leadership style recorded a t-statistics value of 2.340 with a probability value of 0.001 which is statistically significant at 5% level of significance. Therefore, the null hypothesis is rejected while the alternative hypothesis is

accepted. This implies that Autocratic leadership style has a significant positive effect on sustainability of family businesses.

Test of Hypothesis Two

Ho₂: Democratic leadership style has no significant positive influence on sustainability of family businesses.

Hi₂: Democratic leadership style has a significant positive influence on sustainability of family businesses.

Democratic leadership style recorded a t-statistics value of 2.003 with an alpha value of 0.007. Therefore, the null hypothesis is rejected while the alternative hypothesis is accepted. This implies that Democratic leadership style has a significant positive influence on sustainability of family businesses.

Test of Hypothesis Three

Ho₃: Transformational leadership style has no significant positive influence on sustainability of family businesses

Hi₃: Transformational leadership style has a significant positive influence on sustainability of family businesses.

Transformational leadership style recorded a t-statistics value of 3.580 with a probability value of 0.000 which is statistically significant at 5% level. Therefore, the null hypothesis is rejected while the alternative hypothesis is accepted. It is therefore concluded that Transformational leadership style has a significant positive influence on sustainability of family businesses.

Discussion of Findings

This work examined the effect of leadership style and sustainability of family businesses in south-east, Nigeria. Data were sourced from employees and founders of the selected family businesses. Questionnaire was employed as the instrument of data collection. The data generated were analyzed using multiple regression analysis. The result revealed that leadership style has a positive effect on sustainability of family businesses. This is in line De Witt (2015) who asserted that there is a positive impact of leadership styles on the business performance of family businesses. Hassan & Nasibollah (2016) have argued that management development of internal leadership and become a fixed organizational behavior and decline in organizational loyalty, employee turnover, compression and organizational downsizing, diversity depends on the type of leadership style practice by the successor.

The first result of the hypothesis shows that autocratic leadership style has a significant positive effect on sustainability of family businesses under study. This finding is in line with the findings of Inderman (2013) who found out Autocratic leadership is extremely important when quick decisions are needed which is usually the case for family businesses.

The second result of the hypothesis shows that Democratic leadership style has a significant positive effect on sustainability of family businesses under study. This finding tallies with the findings of Mamman, Garba & Abubakar (2018) of democratic style has the highest positive impact on family business sustainability.

Transformational leadership style has a significant positive effect on sustainability of family businesses under study. This finding disagrees with the findings of Fei Yi, Shanshan & Shi (2011) that transformational leadership style has positive effect on family employees' value commitment and commitment to stay.

Summary of Findings

This work examined the effect of leadership style and sustainability of family businesses in South-East Nigeria. Data were sourced from employees and founders of the selected family businesses. The data generated were analyzed using multiple regression analysis. The result revealed that:

1. Autocratic leadership style has a positive significant effect on sustainability of family businesses under study.
2. Democratic leadership style has a positive significant effect on sustainability of family businesses under study.
3. Transformational leadership style has a positive significant effect on sustainability of family businesses under study.

Conclusion

The concept of leadership style on sustaining family businesses over time cannot be over-emphasized. The way the founder or successor leads its employees determine how happy, satisfied they are which can directly affect their job commitment, employee turnover and their performance. Leadership is critical in a changing business environment, where family businesses are concerned. Leadership styles affected relationships in the work environment. It was evidenced that the way in which leaders act influences directly work conditions appreciated by employees, such as autonomy of work on the one hand, and good cooperation between people on the other one. Successors or founders should maintain a good relationship between family members and their employees and choose the type of leadership style that best suite its family businesses.

Recommendations

Based on the findings of this study, it is recommended that:

1. Autocratic leaders give their subordinates clear and short instructions on what to do and how to do it. This helps to perform tasks effectively, solve identified problems, and meet targets or deadlines, in particular when time is a
2. Democratic leaders should give workers a voice in decisions, democratic leaders build organizational flexibility and responsibility and help generate fresh ideas.
3. Transformational leaders should inspire employees who become capable of changing their attitudes and are motivated toward goal achievement by applying the four behavioral attitudes which refer directly (individual consideration) or indirectly (intellectual stimulation, inspirational motivation, idealized influence).

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