

STRATEGIES OF FAMILY-OWNED BUSINESSES AND GROWTH OF BUSINESSES IN ENUGU NORTH AND EAST LOCAL GOVERNMENT AREA OF ENUGU STATE, NIGERIA

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Abstract

The aim of this study was to investigate the strategies employed by family-owned businesses in Enugu North and East Local Government Areas (LGAs) to facilitate the growth of their businesses over time. To achieve this aim, specific objectives were outlined, including: To assess the extent to which product diversification is linked to the growth of family-owned businesses in Enugu North and East LGAs. To examine the adoption of new product development as part of the growth efforts of family-owned businesses. To determine the degree to which family-owned businesses in Enugu North and East, LGAs have embraced new market development as a growth strategy. To gather data for this study, a survey approach was employed. The study population consisted of 312 entities, with a sample size of 225 determined using Freund and Williams' formula. The validity of the research instrument was assessed through content analysis, and the results indicated its reliability. Data collected was presented and analyzed using the mean score approach, where scores of 3.0 and above were interpreted as agreement, while scores below 3.0 were considered as disagreement. Additionally, standard deviation was computed using the Sprint Likert Scale. Hypotheses were analyzed using the Z-test. The study's findings revealed several significant relationships: The relationship between product diversification and enhanced product quality was found to be significantly high ($r = 0.678$, $n = 225$, $p > 0.05$). Similarly, the relationship between the adoption of new product development and the growth of family-owned businesses was also significantly high ($r = 0.641$, $n = 225$, $p > 0.05$). Finally, the study established a significantly high relationship between the new market development strategy and the growth of family-owned businesses ($r = 0.460$, $n = 225$, $p > 0.05$). In conclusion, this study underscores the

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importance of family-owned businesses as commercial organizations in which decision-making is influenced by multiple generations of a family, connected through blood, marriage, or adoption. These businesses possess the capability to shape the vision of the enterprise and the willingness to utilize this ability in pursuit of distinct goals. Based on the study's findings, it is recommended that product diversification be recognized as a strategic tool for achieving strategic relevance and enhancing overall business performance. Organizations are encouraged to incorporate product diversification into their business strategies to gain a competitive advantage in the market.

INTRODUCTION

The present moment poses considerable turbulence for family businesses, necessitating swift reactions from family owners. Every available tool that can aid these significant contributors to the global economy is considered vital and welcomed. Family-owned businesses differ in many aspects from their publicly owned counterparts, presenting unique challenges and specific concerns, notably the perpetual balancing act between product development and financial performance against socio-emotional wealth (Stafford, Duncan, Danes, & Winter, 2019).

A family-owned business is a commercial organization where decision-making is influenced by multiple generations of a family, connected through blood, marriage, or adoption. These families possess both the capacity to shape the business's vision and the willingness to employ this capability to pursue distinctive goals (De Massis, Josip, Jess, and James, 2014). Their close association with the firm often extends to leadership or ownership roles. It's important to note that owner-manager entrepreneurial firms, lacking the multi-generational dimension and familial influence, do not fall under the family business category (De Massis, Josip, Jess, and James, 2014).

In a family-owned business, at least two members within the management team typically hail from the owning family. While family businesses can sometimes have non-family owners, family members frequently play a role in the company's operations, particularly in smaller enterprises where one or more family members often hold senior positions. In India, many businesses that are now publicly traded were originally family-owned.

The involvement of family members in managerial and ownership roles can fortify a company due to their loyalty and dedication to the family enterprise. However, it can also introduce unique challenges, as the dynamics of the family system and those of the business system are often out of sync. A central issue with family-owned businesses is that the family's interests may not always align with those of the business. For instance, if a family relies on the business for financial support but the business requires those resources to remain competitive, the interests of the family and the business may diverge.

Family-owned businesses represent the most prevalent ownership model worldwide, significantly affecting the global economy. They are credited with nurturing entrepreneurial talent across generations, fostering a sense of loyalty to business success, embracing long-term strategic commitments, and upholding corporate independence. A family-owned business, one of the oldest forms of business organizations globally, is defined as a business in which two or more family members are involved, with the majority of ownership and control residing within the family (Ehiaghe, 2019; Steve, 2019).

Statement of the Problem

Family-owned businesses (FOBs) play a pivotal role in the Nigerian economy, much like in other global economies. They constitute some of the largest businesses at the top end of the market and form the backbone of employment and widespread economic growth in the small and medium-sized enterprise (SME) sector. Family businesses span various sectors and significantly contribute to the Nigerian economy, accounting for nearly two-thirds of all businesses in the country.

Despite their ubiquity in the Nigerian economy, the majority of family-owned enterprises do not survive beyond the third generation. According to a survey by Naspire, only 33% of Nigerian family businesses survive to the second generation, and a mere 7% make it to the third generation. Internationally, fewer than 30% of FOBs endure to the second generation, with less than 14% persevering beyond the third generation (Bjuggren & Sund, 2001).

These businesses grapple with growth, innovation, leadership transitions, and even survival. The underwhelming performance of FOBs has generated significant interest among scholars and economic managers (Agwu & Eme, 2014). This study is thus undertaken to scrutinize the growth strategies adopted by FOBs, with the aim of assessing their effectiveness in navigating the challenging business and environmental landscapes and ensuring their survival across generations.

Objectives of the Study

This study investigates the strategies employed by family-owned businesses in Enugu North and East Local Government Areas for sustaining and expanding their businesses over the years. The specific objectives include:

- i. To determine the extent to which product diversification is correlated with the growth of family-owned businesses in Enugu North and East LGAs.
- ii. To assess the extent to which FOBs have embraced new product development as part of their growth endeavors.
- iii. To evaluate the degree to which FOBs in Enugu North and East LGAs have adopted new market development as a growth strategy.

LITERATURE REVIEW

Conceptual Review

Strategies

A strategy outlines how goals will be achieved through the allocation of resources (Simeone, 2020; Freeman, 2013). Strategies can be deliberate or emergent, evolving as the organization adapts to its environment and competitive landscape. They encompass activities such as strategic planning and strategic thinking (Freeman, 2013; McKeown, 2011; Rumelt, 2011).

Business Growth

Business growth is a natural process of adaptation and development that occurs under favorable conditions. It mirrors the stages of human development, progressing from infancy to childhood, adulthood, and maturity. Many businesses begin as small entities and achieve significant growth over time. However, business growth is not a uniform process (Prachi, 2015).

Business growth quantitatively signifies the overall increase in production output and total sales made by an organization (Porter, 2021).

Components of Strategy for Growth

This study employs four fundamental growth strategies as guiding principles (Clark, 2017).

Product Diversification

Diversification, considered one strategy for business growth (Suttle, 2019), involves the acquisition of new skills, knowledge, resources, technology, and facilities. This strategic move exposes the organization to a higher level of risk (Ward, 2020).

The strategy of product diversification has been extensively examined in the field of strategy, focusing predominantly on its performance implications. The exact nature of this relationship, however, remains a subject of debate (Park, 2022). Early studies argued that product diversification was valuable, as increasing diversification should theoretically yield positive performance outcomes due to economies of scope and scale, enhanced market power, risk reduction, and learning effects (Christensen & Montgomery, 2019).

Family-Owned Business

The significance of issues inherent to family-owned businesses is widely acknowledged. These businesses face numerous challenges in ensuring their continuity across generations. They must simultaneously navigate three distinct demands: the demands of operating as a company, the demands of functioning as a family firm, and the demands of having a family business owned by the family (Chirico, Sirmon, Sciascia & Mazzola, 2021).

To ensure their survival, family businesses must continuously evolve, grow, and promote the strategic and organizational development of the company. Simultaneously, as companies owned by families, they must also address the challenge of fostering unity and family commitment to the company's continuity. Family firms aiming to maintain competitiveness and long-term survival while retaining ownership and control within the family face two key challenges: succession planning and professionalization of management practices (Gersick, Davis, Hampton & Lansberg, 2017).

Family-owned businesses are commercial organizations where decision-making is influenced by multiple generations of a family, connected through blood, marriage, or adoption. These family members possess both the capacity to shape the business's vision and the willingness to employ this capability to pursue distinctive goals (Business Jargon, 2021).

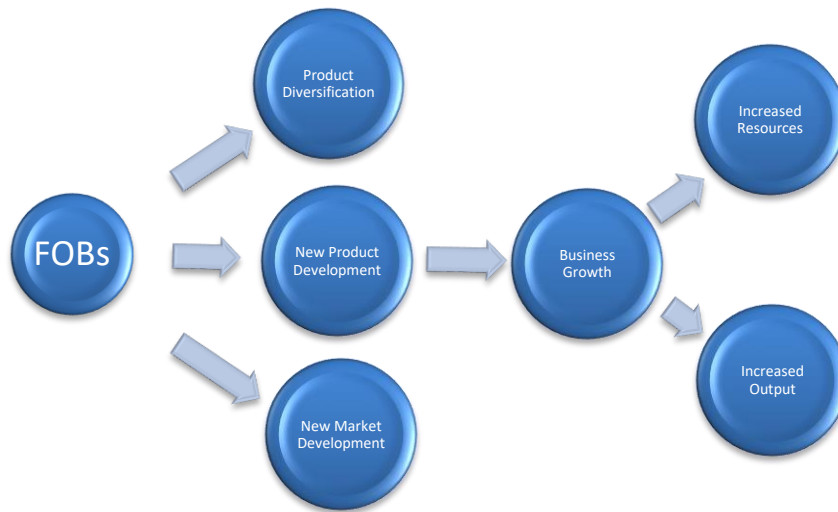


Figure 2.1: A Conceptual Framework of Strategies Adopted by FOBs for Business Growth

Source: Author (2023).

Theoretical Review

System theory relates significantly to the current study.

Systems Theory

Systems theory was founded by the biologist Ludwig von Bertalanffy in the year 1968. Systems theory is the interdisciplinary study of systems, which are cohesive groups of interrelated parts that can be natural or human-made. Every system is bounded by space and time, influenced by its environment, defined by its structure and purpose, and expressed through its functioning (James, Jennings & Breitzkreuz, 2017). When a family owns and runs a business, however, an open systems view of family and business tends to predominate, emphasizing the interaction of the family with the business (Barrett, 2018). Systems theory considers the family business as an overlapping, interacting, and interdependent social system that is made up of the family business. The main assumption of systems theory is that it shows a link across existing between human nature and technological facilities because they functions to enable the organization achieve common benefit.

Empirical Review

Delbufalo, Poggesi and Borra (2016) conducted a study on diversification, family involvement and firm performance. The purpose of the study was to investigate the effect of product and geographic diversification on the performance of Italian manufacturing firms and evaluate the moderating role of family involvement. The finding shows that there is a linear relationship between product diversification and firm performance and an inverted U-shaped relationship between geographic diversification and firm performance.

Alejandro and Carmen (2017) conducted a study on diversification and family control as determinants of performance in Spanish. The results show that family control has a negative impact on Tobin's q-value, and that differences are greater between family groups and non-family groups controlled by banks and/or foreign agents.

Oladimeji and Udosen (2019) conducted a study on effect of diversification strategy on organizational performance in Lagos State, Nigeria. The objectives of the study was to determine the significant variance among related, unrelated and hybrid diversification using the ROA, ROE and ROI measures of performance; examine the significant variance among related, unrelated and hybrid diversification strategies in terms of size, value and growth; and access the significant variances between leverage and liquidity in terms of related, unrelated and hybrid diversification. The finding shows that diversified organizations out performer diversified ones in terms of ROA and ROI.

The study of Koks and Kilika (2016) examined product development strategy, market adoption and firm performance. The study further explains that despite the fact that this strategy influences firm performance, the relationship depends on the general features of the market that push for the product adoption. This shows that for a firm to improve its organizational performance through any of the product development strategies, it has to consider its industry first and see whether it will be applicable since successful implementation of this strategy in one industry doesn't necessarily mean that it will automatically work in another different industry.

Mbithi, Muturi and Rambo, (2015) carried out a study on the effect of market development strategy in sugar industry in Kenya. The findings revealed that market development strategy can influence a firm's capacity utilization by 8.6% and sales volume by 5.6%. The study suggested that since the level of significance on the results was low, firms ought to consider different factors that contribute to performance in sugar companies apart from market development strategy.

Also a study was conducted by Mwau, Oloko and Muturi (2016) on the influence of market development strategy on performance of firms within the insurance industry in Kenya. Market development strategy specifically through new geographical areas was noted to influence the performance of insurance firms in a negative manner. The study suggested that firms must be extremely cautious in choosing the markets to enter if at all it is to perform with the exception of those firms that are enjoying loyalty from solid brands.

Gap in Empirical Review

Base on the finding of the study, an examination of strategic for growth and sustainability of family owned business. Hence, strategy is designed to help an organization gain competitive advantage over its rivals. Today family owned business have taken the practice of strategic and sustainability of the economy seriously as a tool that can be utilized to fast track their performances. None of the Empirical review in the study was done on the present topic on 'an examination of strategic for growth and sustainability of family owned business in Enugu North and East, L.G.A.

METHODOLOGY

The study employed survey research approach. The primary sources were personal interview and the administration of questionnaire.

NAME OF FOB	OWNERS	SENIOR STAFF	QUESTIONNAIRE RETURNED	QUESTIONNAIRE UNRETURNED
JUHEL	8	32	40	22
BONS	15	35	50	16
SAN SAVANNA	18	30	48	14
CRYSTAL CHEMICALS	23	21	44	18
VAC INDUSTRIES	16	27	43	17
TOTAL	80	145	225 (72%)	87 (28%)

The FOBs studied include: Sunchi farms Ltd, Juhel, Bons, Crystal Chemical, San savannah and Vac industries in Enugu North and East, L.G.A with a population of three hundred and twelve (312) made up of the owners and senior staff was made use as sample size determination. The questionnaire was distributed and two hundred and twenty-five (225) returned the questionnaire, accurately filled. That gave 72 percent response rate. The validity of the instrument was tested using content analysis and the result was good. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using $Z - test$.

DATA PRESENTATION AND ANALYSES

The Relationship Between Product Diversification and Growth of FOBs in Enugu North and East, L.G.As.

Table 4.1: Responses on Relationship Between Product Diversification and Growth of Family-Owned Businesses in Enugu North and East, L.G.As.

		5 SA	4 A	3 N	2 DA	1 SD	Σ FX	- X	SD	Decision
1	The diversification of our products have increased the profitability	615 123 54.7	156 39 17.3	81 27 12.0	16 8 3.6	28 28 12.4	896 225 100%	3.98	1.392	Agree
2	There is achievement of higher sales volume with reliability of our products.	680 136 60.0	68 17 7.6	93 31 13.8	28 14 6.2	28 28 12.4	935 225 100%	3.96	1.454	Agree
3	The production of new products have enhanced conformance	400 80 35.6	340 85 37.8	69 23 10.2	24 12 5.3	25 25 11.1	858 225 100%	3.81	1.282	Agree
4	The concentric diversification has improved performance of the products	415 83 36.9	212 53 23.6	141 47 20.9	36 18 8.0	24 24 10.7	828 225 100%	3.68	1.328	Agree
5	Planning and implementation growth strategy has been enhanced by diversification	235 47 20.9	500 125 55.6	60 20 8.9	14 7 3.1	26 26 11.6	835 225 100%	3.71	1.177	Agree
Total Grand mean and standard deviation								3.828	1.3266	

Source: Field Survey, 2023

Table 4.1, 162 respondents out of 225 representing 72.0 percent agreed that the diversification of our products have increased the profitability with mean score of 3.98 and standard deviation of 1.392. There is achievement of higher sales volume with reliability of our products with 153 respondents representing 67.6 percent agreed with mean score of 3.98 and standard deviation of 1.392. The production of new products have enhanced conformance with 165 respondents representing 73.4 percent agreed with mean score of 3.81 and standard deviation of 1.282. The concentric diversification has improved performance of the products with 136 respondents representing 60.5 percent agreed with mean score of 3.68 and 1.328. Planning and implementation

growth strategy has been enhanced by diversification with 172 respondents representing 76.5 percent agreed with a mean score of 3.71 and standard deviation of 1.17.

The Extent to which Family Owned Businesses in Enugu North and East, L.G.As has Adopted New Product Development as Growth Strategy.

Table 4.2: Responses on Family Owned Businesses in Enugu North and East, L.G.As has Adopted New Product Development as Growth Strategy.

		5	4	3	2	1	ΣFX	-	SD	Decision
		SA	A	N	DA	SD		X		
1	New product development has stimulated the selling efforts of family-owned businesses.	540 108 48.0	180 45 20.0	108 36 16.0	16 8 3.6	28 28 12.4	872 225 100%	3.88	1.377	Agree
2	The internal environment of our firm has encouraged the adoption of new product development skills by members of staff.	535 107 47.6	136 34 15.1	126 42 18.7	28 14 6.2	28 28 12.4	853 225 100%	3.79	1.413	Agree
3	New product development has transformed the marketing efforts and customer interface of family owned business.	375 75 33.3	316 79 36.1	102 34 15.1	24 12 5.3	25 25 11.1	842 225 100%	3.74	1.280	Agree
4	Through new product development more leads are generated that has been converted to actual sales over a period of one year.	360 72 32.0	212 53 23.6	174 58 25.8	36 18 8.0	24 24 10.7	806 225 100%	3.58	1.300	Agree
5	New product development has stimulated the sales of other products of the company.	355 71 31.6	404 101 44.9	60 20 8.9	14 7 3.1	26 26 11.6	859 225 100%	3.82	1.242	Agree
Total Grand Mean and Standard Deviation								3.762	1.3224	

Source: Field Survey, 2023

Table 4.2, 153 respondents out of 225 representing 68.0 percent agreed that new product development has stimulated the selling efforts of family owned businesses with mean score of 3.88 and standard deviation of 1.377. The internal environment of our firm has encouraged the adoption of new product development skills by members of staff with 141 respondents representing 62.7 percent agreed with mean score of 3.79 and standard deviation of 1.413. new product development has transformed the marketing efforts and customer interface of family owned business with 154 respondents representing 69.4 percent agreed with mean score of 3.74 and standard deviation of 1.280. new product development has generated more leads that has been converted to actual sales over a period of one year with 172 respondents representing 76.5 percent agreed with a mean score of 3.82 and standard deviation of 1.242. new product development has stimulated the sales of other products of the company with 125 respondents representing 55.6 percent agreeing with mean score of 3.82 and 1.242.

Table 4.3: Responses on FOBs in Enugu North and East, L.G.As has Adopted New Market Development as Growth Strategy.

		5	4	3	2	1	ΣFX	-	SD	Decision
		SA	A	N	DA	SD		X		
1	New market development attracts efficiency	490	228	33	52	33	836	3.72	1.482	Agree
		98	57	11	26	33	225			
		44.3	37.8	10.2	7.3	.4	100%			
2	New market development leads to valuable feedbacks	345	344	33	52	33	807	3.59	1.406	Agree
		69	86	11	26	33	225			
		30.7	38.2	4.9	11.6	14.7	100%			
3	New market development has led to adoption of different strategy that improves sales.	245	472	33	52	21	823	3.66	1.208	Agree
		49	118	11	26	21	225			
		21.8	52.4	4.9	11.6	9.3	100%			
4	New market development as improved revenue on all product lines.	620	220	42	36	14	932	4.14	1.216	Agree
		124	55	14	18	14	225			
		55.1	24.4	6.2	8.0	6.2	100%			
5	New market development has taken the business to different levels of Successes.	465	300	39	60	14	878	3.90	1.250	Agree
		93	75	13	30	14	225			
		20.3	50.0	2.4	15.9	11.4	100%			
Total Grand Mean and Standard Deviation								3.802	1.070	
								0	8	

Source: Field Survey, 2023

Table 4.3, 155 respondents out of 225 representing 82.1 percent agreed that new market development attracts efficiency with mean score of 3.72 and standard deviation of 1.482. The new market development leads to valuable feedbacks and has 155 respondents representing 68.9 percent agreed with mean score of 3.59 and standard deviation of 1.406. New market development has led to adoption of different strategy that improves sales. We have 172 respondents representing 69.9 percent, who agreed with mean score of 3.66 and standard deviation of 1.208. The business has improved revenue on all products lines due to new product development with 179 respondents representing 79.5 percent agreeing and with a mean score of 4.14 and 1.216. New market development has taken the business t different levels of successes. 168 respondents representing 70.3 percent responded to the affirmative with a mean score of 3.90 and standard deviation of 1.250.

Test on Hypotheses

4.4.1 Hypothesis one: Product diversification has not been Significantly Adopted as Growth Strategy by FOBs in Enugu North and East LGAs. **Correlations**

		The diversification of our products has increased the profitability	There is achievement of higher sales volume with reliability of our products.	The production of new products has enhanced conformance	The concentric diversification has improved performance of the products	Planning and implementation growth strategy has been enhanced by diversification
The diversification of our products has increased the profitability	Pearson Correlation Sig. (2-tailed) N	1 225	.900** .000 225	.729** .000 225	.729** .000 225	.776** .000 225
There is achievement of higher sales volume with reliability of our products.	Pearson Correlation Sig. (2-tailed) N	.900** .000 225	1 .000 225	.753** .000 225	.722** .000 225	.777** .000 225
The production of new products has enhanced conformance	Pearson Correlation Sig. (2-tailed) N	.729** .000 225	.753** .000 225	1 .000 225	.678** .000 225	.695** .000 225
The concentric diversification has improved performance of the products	Pearson Correlation Sig. (2-tailed) N	.729** .000 225	.722** .000 225	.678** .000 225	1 .000 225	.729** .000 225
Planning and implementation growth strategy has been enhanced by diversification	Pearson Correlation Sig. (2-tailed) N	.776** .000 225	.777** .000 225	.695** .000 225	.729** .000 225	1 .000 225

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

Table 4.4.1 is the Pearson correlation matrix on product diversification showing the correlation coefficients, significant values and the number of cases. The correlation coefficient result values range from $.678 < 0.900$. This value indicates that correlation is significant at 0.05 level (2 tailed) and implies that the relationship between product diversification and growth of family-owned business in Enugu north and East L.G.A was significantly high. ($r=.678 < 0.900$). The computed correlations coefficient is greater than the table value of $r = .000$ at alpha level for a two-tailed test ($r=.678 < 0.900, p<.05$).

Decision Rule

The decision rule is to accept the null hypothesis if the computed r is less than the tabulated r otherwise reject the null hypothesis.

Decision

The computed $r = .678 < 0.900$ is greater than the table value of .000, we reject the null hypothesis. Therefore, we concluded that the product diversification has been significantly adopted as growth strategy by FOBs in Enugu North and East L.G.A was reported in the probability value of ($r = .678 < 0.900, p < .05$).

4.4.2 Hypothesis Two: New Product Development has not been significantly Adopted by FOBs in Enugu North and East LGAs as growth strategy.

Correlations

			NEW PRODUCT DEVELOPMENT has transformed the internal environment of our firm has encouraged the adoption of NEW PRODUCT DEVELOPMENT skills by members of staff.	Through NEW PRODUCT DEVELOPMENT more leads are generated that has been converted to actual sales over a period of one year..	NEW PRODUCT DEVELOPMENT has stimulated the sales of other products of the company..	
New product development has stimulated the selling efforts of family owned businesses	Pearson Correlation Sig. (2-tailed) N	1 225	.838** 225	.727** 225	.677** 225	.733** 225
The internal environment of our firm has encouraged the adoption of new product development skills by members of staff.	Pearson Correlation Sig. (2-tailed) N	.838** 225	1 225	.733** 225	.676** 225	.703** 225
New product development has transformed the marketing efforts and on	Pearson Correlation Sig. (2-tailed) N	.727** 225	.733** 225	1 225	.643** 225	.641** 225

customer interface of family owned business.	Sig. (2-tailed)	.000	.000		.000	.000
	N	225	225	225	225	225
Through new product development more leads are generated that has been on converted to actual sales over a period of one year.	Pearson Correlati	.677**	.676**	.643**	1	.699**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	225	225	225	225	225
New product development has stimulated the sales of other products of the company.	Pearson Correlati	.733**	.703**	.641**	.699**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	225	225	225	225	225

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

Table 4.4.2 is the Pearson correlation matrix on the relationship between the adoption of newproduct development and growth of FOBs is significantly showing the correlation coefficients, significant values and the number of cases. The correlation coefficient result values ranges from $.641 < 0.838$. This value indicates that correlation is significant at 0.05 level (2 tailed) and implies that the relationship between the adoption of new product development and growth of FOBs in Enugu North and East L.G.A was significantly high ($r=.641 < 0.838$). The computed correlations coefficient is greater than the table value of $r = .000$ at alpha level for a two-tailed test ($r=.641 < 0.838, p<.05$).

Decision Rule

The decision rule is to accept the null hypothesis if the computed r is less than the tabulated r otherwise reject the null hypothesis.

Decision

The computed $r = .641 < 0.838$ is greater than the table value of $.000$, we reject the null hypothesis. Therefore, we concluded that the relationship between the adoption of new product development and growth of FOB in Enugu North and East L.G.A was significantly high as reported in the probability value of ($r=.641 < 0.838, p<.05$).

Hypothesis Three: New Market Development has not been significantly adopted by FOBs in Enugu North and East LGAs as Growth Strategy.

Correlations

			New market development leads to valuable feedbacks	New market development has led to adoption of different strategy that improves sales	New market development has improved revenue on all product lines.	New market development has taken the business to different levels of Successes.
New development efficiency	market attracts	Pearson Correlation Sig. (2-tailed) N	1 .874** .000 225	.874** .000 225	.666** .000 225	.456** .000 225
New market development leads to valuable feedbacks		Pearson Correlation Sig. (2-tailed) N	.874** .000 225	1 .634** .000 225	.634** .000 225	.371** .000 225
New market development has led to adoption of different strategy that improves sales		Pearson Correlation Sig. (2-tailed) N	.666** .000 225	.634** .000 225	1 .623** .000 225	.626** .000 225
New market development has improved revenue on all product lines.		Pearson Correlation Sig. (2-tailed) N	.456** .000 225	.371** .000 225	.623** .000 225	1 .649** .000 225
New market development has taken the business to different levels of Successes.		Pearson Correlation Sig. (2-tailed) N	.460** .000 225	.605** .000 225	.626** .000 225	.649** .000 225

Table 4.4.3 is the Pearson correlation on the relationship between new market development and growth of FOBs showing the correlation coefficients, significant values and the number of cases. The correlation coefficient result values ranges from $r = .460 < 0.874$. This value indicates that correlation is significant at 0.05 level (2 tailed) and implies that the relationship between new market development and growth of family owned business

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in Enugu north and East L.G.A was significantly high ($r=.460 < 0.874$). The computed correlations coefficient is greater than the table value of $r = .000$ at alpha level for a two-tailed test ($r=.460 < 0.874$, $p<.05$).

Decision Rule

The decision rule is to accept the null hypothesis if the computed r is less than the tabulated r otherwise reject the null hypothesis.

Decision

The computed $r=.460 < 0.874$ is greater than the table value of $.000$, we reject the null hypothesis. Therefore, we concluded that the relationship between new market development and growth of family owned business in Enugu North and East L.G.A was significantly high as reported in the probability value of ($r=.460 < 0.874$, $p<.05$).

Discussion of Findings

The result of Hypothesis one indicated that the computed $r=.678 < 0.900$ was greater than the table value of $.000$. Product diversification and growth of family owned business significantly high as reported in the probability value of ($r=.678 < 0.900$, $p<.05$). The result was supported in the literature reviewed; Delbufalo, Poggesi and Borra (2016) that the status of the family firm, family ties have a negative moderating role on the performance of companies that are product and internationally diversified. Oladimeji & Udosen (2019) studied effect of diversification strategy on organizational performance in Lagos State, Nigeria. Also, Oyedijo (2017) studied the effects of product-market diversification strategies on corporate financial performance and growth. Findings reveals that there is high positive and statistically significant correlation between diversification (especially related diversification) and the firm financial performance and sales growth.

Concerning hypothesis two indicated that the computed $r=.641 < 0.838$ is greater than the table value of $.000$. It was concluded that the relationship between adoption of new product development strategy and growth of family owned business in Enugu North and East L.G.A was significantly high as reported in the probability value of ($r=.641 < 0.838$, $p<.05$). Similarly, Kotabe (2019) in his study found a direct relationship with product development and better performance. Also Liu, Lin & Huang (2018) found successful product development to enhance operating performance in textile industry. In auto industry, Cusumano and Nobeoka (2019) linked product development strategy with project structure and concludes that there is an improvement on project performance. These finding that new product has a positive effect on organizational performance further reaffirms that FOBs should not depend on their current product offering only to meet their sales and growth objectives but should embrace other growth strategies. Koks and Kilika (2016) also confirmed in their study on Product Development Strategy, Market Adoption and Firm Performance, uncovered that there was an existing relationship between product development strategy and a firm's performance. They speculate that firms which invest in this strategy will experience a positive relationship between product development strategy investments and the firm performance.

The result of Hypothesis three indicated that the computed $r=.460 < 0.874$ is greater than the table value of $.000$, we reject the null hypothesis. Therefore, we concluded that the relationship between new market development and growth of family-owned business in Enugu North and East L.G.A was significantly high as

Journal of Allied Research in Management and Entrepreneurship(JARME) Vol. 14 (9) reported in the probability value of ($r=.460 < 0.874$, $p<.05$). This is similar in the conclusions reached in the study conducted by Mbithi, Muturi & Rambo, (2015) on the effect of market development strategy in sugar industry in Kenya. The findings revealed that market development strategy can influence a firm's capacity utilization by 8.6% and sales volume by 5.6%. The study suggested that since the level of significance on the results was low, firms ought to consider different factors that contribute to performance in sugar companies apart from market development strategy.

Summary of Findings

- i. The relationship between product diversification and enhanced product quality was significantly high r ($96, n = 225$) $=.678 < 0.900$, $p > 0.05$
- ii. The relationship between the adoption of new product development and growth of FOBs was significantly high r ($96, n = 225$) $= .641 < 0.838$, $p > 0.05$
- iii. The relationship between new market development strategy and growth of FOBs was significantly high r ($96, n = 225$) $= .460 < 0.874$, $p > 0.05$

Conclusion

The study concluded that most family-owned business is a commercial organization in which decision-making is influenced by multiple generations of a family, related by blood or marriage or adoption, which has both the ability to influence the vision of the business and the willingness to use this ability to pursue distinctive goals.

Recommendations

The study recommended that product diversification is a strategic tool for achieving strategic relevance and spontaneous performance and organizations should apply it in their businesses for effective competitive advantage. The owners of family businesses should improve their sales and market share by developing new products in the space where the young population is, to achieve desired outcomes and goals. Organizations are encouraged to adopt Blue Ocean Strategy which is, developing new markets for their products which make competition irrelevant for the organization to reap the full benefits of new market.

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