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Failed and Prospered Generational Transition Family Businesses in Anambra State – Nigeria: Corporate Governance Practices

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ABSTRACT: *Defined as commercial enterprises where decision making is influenced by two or more members of a family who own, manage, and operate them, family businesses (FBs) create jobs and wealth, and also form the economic bedrock of many nations. This research examined the corporate governance practices of both failed and prospered generational transition family businesses in Anambra State – Nigeria. After a robust literature review which discussed the differences between family and non-family businesses, the positive and negative sides of FBs, most common generational challenges that face contemporary FBs, the influence of personal characteristics of founders of FBs on corporate survival, as well as corporate governance issues and performance of FBs, the adoption of Taro Yamane formula led to the administration of questionnaire that captured corporate governance practices to 109 founders and directors of FBs in the three main cities of Anambra state. The establishment of the reliability of the instrument was performed with the test-retest method, after which the collected data were analyzed with both descriptive and inferential statistics. The Statistical Package for Social Sciences (SPSS) software was applied to evaluate the corporate governance practices of both failed and prospered generational transition family businesses in Anambra State, after which the results were validated with Analysis of Variance (ANOVA). Although the results revealed that there is no significant difference in corporate governance practices in both the failed and prospered GT FBs in Anambra state with the correlation coefficient (R = .488), and the coefficient of determination (R – Square = .472), which could be attributed to the low level of formal education by the business owners, yet the successful family businesses recorded higher values in entrenched corporate governance, Directors' independence and performance, regular compensation review and management, as well as in properly mentored successors. The Study also revealed that the generational transition challenges faced by the FBs in the State include: lack of succession plan, unavailability of written succession plan, unprepared successor, the inability of the founders to reveal their successors early, lack of proper mentoring, inadequate training for the successors, and lack of interest in the business by the successors. It was later concluded that the entrenchment of corporate governance in FBs will enhance the survival and sustenance of the businesses in the subsequent generations.*

KEYWORDS*:* family businesses, corporate governance, Anambra State, generational transition, Directors' independence and performance, regular compensation review, properly mentored successors

INTRODUCTION

The importance of family enterprises in cannot be over-emphasized as according to Okoli, Ezeanolue, and Edokobi (2019), FBs generate up to 79% jobs and account for two-third of GDP in India, and also create about 85% employment and account for about 50% of the GDP in Brazil. According to SMEDAN (2013), family businesses in Nigeria contribute 46.54 percent to the national Gross Domestic Product (GDP).

Frick-Becker (2015), posited that the preparation to concede ownership of a business can be tough for owners of FBs, but getting it right is crucial if the business is to remain successful. She observed that to cope with the difficulties, expectations and emotions of what can be an emotional subject, businesses must proactively plan for succession, openly discuss the details of the process, and utilize tools which simplify the situation, as poorly planned or inadequately executed succession will often lead to disputes, poor customer experiences, business decline, and financial pressure.

The vulnerability of FBs during Generational Transitory (GT) periods when misunderstandings arise between the aspirations to uphold and respect established practices, and the need to adopt business best practices in response to ever-changing circumstances, and most importantly the inability of founders of family businesses to properly articulate robust succession management policies which include succession planning quite early in their enterprises can be considered as the major reasons only about one third of FBs successfully transit to the next generation. Therefore, the importance of succession management in the survival and success of family businesses after generational transition is quite crucial, as the high rate of failures of FBs in Anambra state can be attributed to lack of it.

According to Onuoha (2013), the inability of the Ibos in the South Eastern part of Nigeria who are renowned for their zeal and tenacity in business to have their family businesses to survive transitory challenges up to the third or fourth generations can be attributed to poor succession management. Also, Okpala, Onugu, and Ezeanyim (2023), observed that family businesses form the backbone of the Anambra State economy and are deep rooted to their communities, as they create jobs and wealth, and often start with initial hiccups that characterize the setting up of new businesses. Globally, family businesses are the fundamental form of businesses. However, despite the successes many of them achieve at the inception, only very few are able to survive and thrive up to the second generation. Although the founders of these businesses often hope to pass their enterprises to their offspring, in order to help them to maintain their legacies and also succeed economically, most times this does not happen, as the businesses often flounders whenever the founders retire or die.

FBs that form the backbone of the Anambra State economy are deep rooted to their communities; they create jobs and wealth, and often start with initial hiccups that characterize the setting up of new businesses. But over the years due to the passion, inspiration, dexterity, and sometimes out of pure genius of the founder, the initiative grows and becomes a company. In due course, a lot of problems that often lead to the extinction of such enterprises emanate when the founder either by choice or circumstance leaves the business for his progeny. This is because passing responsibility from one generation to the next is often a precarious moment for family businesses in the state.

The inability of the FB's to thrive beyond the first generation can be attributed to succession management. According to Sharma, Chua, and Chrisman (2000), succession planning in the family business can be defined as the perspicuous process by which the management control of an enterprise is transferred from a member of a family to another.

The failure of second generation FBs has a multiplier effect on the economy as it adversely affects the owners of the businesses, employees and their families, suppliers, managers, banks, customers, etc. According to Silvanaviciute (2008), employees are made redundant when businesses fail, thereby causing serious economic and social problems especially for the employees that are based in poor regions where unemployment rates are rather high and finding a new job is quite difficult.

Other negative impacts of FBs failures include: bankruptcy, reduction of internal generated revenue, declining production, joblessness, loss of technological advancements and innovations, reduction of competitiveness with the attendant loss of interest by foreign investors, increase in crime rate, etc. There is therefore an urgent need to understudy family businesses in order to proffer solutions that will curb the generational transitory challenges that lead to their failures.

Objectives of the Study

1. To establish the differences in corporate governance practices in both the failed and prospered generational transition family businesses in Anambra State.
2. To identify generational transition challenges of family businesses and ways of curbing it in Anambra state.

Research Questions

1.What are the corporate governance practices in both the failed and prospered generational transition FBs in the state?

2.What are the generational transitory challenges and the ways of curbing it in FBs Anambra state?

Hypotheses

H_O: There is no significant difference in the influence of corporate governance in both the failed and prosperous generational transition family businesses in Anambra state.

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LITERATURE REVIEW

Researches in FB as a distinct and unique category of enterprise was developed in the 1980s, and recently it has been accepted as a very dynamic and vital aspect of the global economy. According to Salvatore (2018), family business still lacks a homogenous, clear-cut definition due to its highly heterogeneous organizational structure. He pointed out that "there is not a single definition of Family business which is exclusively applied to every conceivable area, such as to public and policy discussions, to legal regulations, as an eligibility criterion for support services, and to the provision of statistical data and academic research".

However, Onugu and Okpala (2022), explained that family businesses are often regarded as the oldest economic system that still survived up till this day, and that it is "actively owned, managed, and operated by either two or more members of one family." They pointed out that it has a remarkable influence on the economy as it contributes so much to a country's Gross Domestic Product (GDP). FBs are the driving wheel for all economies as regards to job creation, revenue collection as well as to the socio-economic development of many nations in general and Anambra state in particular. The numerous differences between family and non-family businesses are depicted in Table 1.

Table 1: Differences between family and non-family Businesses   Source: Morris et al. (1997)

Family Businesses	Non-Family Businesses
Family members in managerial positions have lifetime and personal stake in firm	Manager's interest in firm is limited more so to specifics of employment contract
Family members in managerial positions may be with firm for entire career.	Managers seldom remain with one firm for entire career
Family members have indefinite time horizon	Managers have shorter time horizon
Failure of the business has dramatic personal and career implications for family members, especially those in senior management positions	Failure of the business has relatively less personal impact on the manager

Likelihood of family member in managerial position being terminated is low	Likelihood (or perception of likelihood) of a manager being terminated or his/her position eliminated is greater
Personal gain results from a sense of pride in organization's growth, success, job creation, and family wealth creation	Personal gain results from advancement, promotion and increased compensation
Organizaitonal performance tends to be correlated with managerial compensation	Organizational performance tends to be less directly correlated with what a particular manager earns
Decision making tends to be more centralized, although this may lessen across generations	Decision making is often more participative and team-based
Internal control systems tend to be more informal	Internal control systems tend to be more formalized
Succession can be problematic and traumatic even if planned for; rivalries can arise among family members, while conflicts occur between the business head and heirs	Succession can involve conflict and competition, but stockholders will monitor the process in an effort to ensure it is accomplished in a timely and orderly fashion
Family member managers are accountable to self, family	The manager is accountable to stockholders
Conflicts tend to further a dynamic pattern that is circular; a conflict within the family can impact on business decisions made at a much later date, which in turn influences future family dynamics	Conflicts tend to follow a more linear pattern such that their impacts are more traceable over time and isolated

Non-family employees may perceive real limits to their upward mobility and personal opportunities within the firm	Employees are apt to have a greater sense of equal opportunity in terms of advancement and participation in decision making; this may produce more internal competition
Family affairs can directly affect business affairs and vice versa	While the personal lives of employees affect their job performance, the impact is likely to be more on the individual than the firm

The numerous generational challenges that confront FBs like succession problems, paucity of funds, resistance to change, quarrels among family members, stiff competition, bad leadership, lack of developmental strategy, maturity of business life cycle, low support for improvement and development, low accountability, etc. are the key factors for their low rate of survival. The different positive and negative sides of FBs are shown in Table 2.

Table 2: Positive and negative sides of FBs Source: Stoilkovska (2011)

Positive	Negative
Love, devotion, trust	Leader's assumptions based on emotions
Trust coming from the telepathic connections of the family members	Risk of negative transfer from personal to public areas of interest
Research and problem solving in private atmosphere	Making bad decisions based on emotions
Sense of solidarity and devotion to mutual goals	Lack of skills necessary for successful accomplishment of working activities
Unselfish involvement of the personal and professional potential in the work	Bad meetings lead by the family heirs, and not from professionals (nepotism)
Specific organizational culture	Danger of jealousy and family enemies
Long term vision of the company's life cycle	Devoting more time to personal than to professional business goals

However, according to Abellera (2011), all businesses face diverse challenges, whether it is dealing with the changing economy, finding and hiring the right employees, or increased competition in the market. While observing that FBs are not immune to these challenges, as there is also a unique set of challenges that they have to face as a result of the nature of their business structure, she explained that it is imperative to understand what these hurdles are so that when one dabbles into such problems, he cannot only identify them, but will also proactively develop strategies to overcome them. She listed the following as the ten most common generational challenges that FBs face today:

-Family problems - physical, emotional and financial problems among family members can greatly impact the day-to-day operation of a family business.

-Informal culture and structure - For many businesses, having a laid-back culture is a positive. However, the informal structure and culture found in many family businesses can equate to a lack of documentation, policies, and defined strategy and goals.

-Pressure to hire family members - It can be difficult to resist the pressure that comes along with requests from family members who want to join the business. This becomes especially complicated if they lack the basic skills and experience needed for the position.

-Inadequate training - The informal culture found in many family businesses can result in a lax approach to training new employees, whether they are family members or not.
-High turnover of non-family employees - Non-family employees may feel that greater opportunities exist within the business for those who are a part of the family and may grow tired of the culture.
-Capital - A huge challenge for family businesses can be determining where and how to get the capital and resources needed to grow the business.
-Lack of an external view - While family members may not always have the same opinions, they often have similar upbringing and life experiences which may lead to a uniform view of the business. Businesses need to have external views of their company, and their competition in order to excel.
-Misconception of business values - Owners of family businesses may have varying opinions on the value of their business, or even worse, they may have no knowledge about the value of the business and what things contribute to or detract from that value. Further complicating this matter is determining how to split the profits of the business or owners' stakes.

-Succession management – It is pertinent for founders or Directors of FBs to make early plans for generational transition of their businesses.

-Lack of exit plan - FBs often lack a defined strategy for what will happen if an owner wants to retire, sell the business, or transfer responsibility. This goes hand in hand with succession plan issues. All businesses need a plan for the future.

In his research, Sowande (2017), observed that the challenges of FBs in Nigeria include limited finance, fluctuating exchange rate, declining profitability, political uncertainty, war for talent/recruitment of skilled staff, increased competition, and changes in regulation. However, while explaining that a family business without access to financial resources will not be able to champion innovation as they won't have the capital to introduce new products and services before they reach market, he pointed out that 47% of respondents in Nigeria identified access to finance as their biggest challenge.

In many cases the failures of FBs can be attributed to the following: quarrels among siblings or family members with parallel powers, the risings of emotions and primordial sentiments during such quarrels and misunderstandings, as well as situations where the family is properly equipped to solve complex business problems.

The Influence of Personal Characteristics of Founders of FBs on Corporate Survival

According to Frank, Lueger and Korunka (2007), the influence of the founder of a family business' personal characteristics and personality traits is revealed to be greatest in determining business start-up intentions by budding entrepreneurs, as personal characteristics and personality traits have been found to be a significant predictor. These characteristics that entrepreneurs that found family businesses have are obtained not just from their personalities but also on their positions as business owners.

According to Chalermwan (2000), the characteristics of successful founders of family businesses are the desired personal characteristics which enabled them to play the desired roles and succeed in their enterprises. Also, Leutner et al. (2014), pointed out that the personal characteristics of FB founders can be able to predict diverse results of businesses, which demonstrates the influence of personality on the performance of any business.

These personal characteristics which distinguish entrepreneurs and founders of family businesses from other people include the following: retaining of earnings in the business for growth, creativity, flexibility, hard work, thriftiness, risk taking, resilience, knowledge and experience, optimist, resourcefulness, self-motivated, keeping of high number of social contacts, as well as intelligence and smartness.

However, according to Ogundele and Ahmed-Ogundipe (2010), The personal characteristics for the founders of family businesses in Nigeria include "a high need for achievement, a need for independence as he desires to take responsibility for actions/results, preference for moderate risks, optimistic/confident of success, need for and stimulation by feedback, energetic and scrupulous time user, futuristic in orientation, highly skilled in organizing, and an attitude which value money as a proof of accomplishment, not an end."

Commenting on the need for the founders of family businesses to openly share their views and aspirations on the vision of their family businesses, Coffmann (2014), explained that personal characteristics that the founders should possess in order to achieve successful generational transition include: openness to new ideas, attitude of cooperation, and mentoring. While pointing out that the more the founder's level of inward locus of control, the more he will achieve a better succession planning, he observed that enhanced relationship between the FB founder and his successor will expedite knowledge transmission which is essential for successful generational transition of the enterprise. He also listed the following as the impeding personal characteristics which will hamper a successful generational transition to include the following: negative aggression, the desire to control everything, as well as lack of trust.

Corporate Governance Issues and Performance of Family Businesses

If an enterprise is still in the stage of the founder, it is not difficult for him to maintain adequate management over the business, as he takes the sole responsibility on the allocation of the resources that are produced by the firm. However, when the business is handed over to the subsequent generations, and they still wish to remain in the organization, it is quite pertinent that the roles and responsibilities of those involved are spelt out. Hence, the need for corporate governance.

According to Investopedia (2021), corporate governance is the system of rules, practices, and processes by which a firm is directed and controlled, it basically involves balancing the interests of a company's many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community. Its purpose is to ensure creditable management of a company's activities in order to ensure the firm's long term success.

Also Forsythe (2018), defined corporate governance as "basically a set of rules, practices, and procedures that guides company oversight and control by its board of director and independent committees." She explained that it involves "balancing the interests of a company's stakeholders—including management, employees, suppliers, customers, and the community—with the need to deliver value to its shareholders/owners", and concluded that having strong and active corporate governance is absolutely critical to the ongoing financial health, growth, and success of a family owned business in subsequent generations.
The elements of effective corporate governance include the following:

The Director's independence and performance

Apart from engaging and ensuring a long-term strategic vision of companies, a firm's board of directors also plays a major role in the oversight of every firm by the appointment and supervision of the Director. Forsythe (2018), pointed out that the most effective boards have a majority of independent directors who are able to oversee company management and independent committees for the benefit of shareholders, as these directors should attend the meetings and be prepared to discuss key issues. She noted that they also should be evaluated based on how long they have served on a particular board; as long-tenured directors can become too entrenched in a company to be considered truly independent.

Focus on Diversity
Companies with better diversified board members are more likely to survive business risks as a result of their diversity. Thereby enabling them to become entrenched and also survive generational transitory challenges.

Regular Compensation Review and management
Frequent Compensation review and management is a very important element of corporate governance as it entails the review and proper management of reward/compensation at the board and executive level of management.

Auditor Independence and Transparency
Accounting issues should be handled in a transparent manner, with complete, detailed information and reports always available to the board with measures put in place to prevent recurrence of any questionable findings. Also, auditors should be independent (with no financial interest in a company) with the majority of their revenues derived from audit activities, not consultation services.

According to Verbruggen (2012), the need for corporate governance which ensures the accountability and transparency for all stakeholders in family businesses cannot be over-emphasized, as it leads to success and sustenance of businesses.The need for the establishment of corporate governance by family businesses in Anambra state cannot be over-emphasized, as it refers to the way in which a firm is governed and to what purpose. The adherence to corporate governance principles will not only ensure the stability, profitability, and growth of FBs in Anambra state, but it will also them to survive generational transitory challenges.

To remain competitive in a global market where efforts has shifted to meeting the customers' requirements to exceeding his expectations, FBs must strive to transform and modernize their manufacturing processes in order to ensure the production of high quality products and services. According to Ayobami et al. (2018), numerous family businesses adopt innovation as a competitive strategy in the marketplace, as trending business environment is highly dynamic, complex and fiercely competitive, it is therefore of great importance for family businesses to be innovative, wiling to adapt to change, creative and ready to employ strategies that will position the business at a competitive advantage in the marketplace.

Due to the numerous challenges which include unprepared or naïve leadership in subsequent generations, lack of capital, disputes among the founders' progenies, stiff competitions among others, FBs have been identified to have low survival rates after generational transitions. This is because researchers have found out that only about 30% of Family enterprises successfully transit to the second generation. However, despite the low rate of survival, elaborate and intensive researches have not been carried out on the theme of FBs second generation subsistence in Anambra state.

METHODS

To determine the population size, reference was made to the study of Obaze (2004), who observed that FBs amount to about ten percent of the total of eighteen thousand private businesses in the three foremost cities of Anambra State. Therefore, one thousand eight hundred family businesses were selected as the research's population size for the three main cities in the state namely: Awka, Nnewi, and Onitsha.

The application of Taro Yamane formula with the adopted population size led to a sample size of three hundred and twenty-seven, thereby resulting to the administration of 109 questionnaires to the founders and directors of family businesses in each of the three major cities in the state.Out of the total of 327 copies of questionnaire that were distributed to the owners of family businesses in the three major cities in Anambra state, 278 valid responses were received back. The response rate is considered to be reasonable as it is 85 percent of the total questionnaire.

Reliability of the Instrument

Test – retest method which is an obvious approach to dispense same instrument of test to the same group on two different times and correlate the paired shares was applied to establish the reliability of the instrument.

For the test, copies of the questionnaire was administered to forty directors of FBs in the major towns of the three senatorial zones of the Anambra state in two separate occasions within an interval of two weeks. The data received from the respondents as shown in Table 3 were correlated with the application of Spearman Rank Correlation Coefficient to measure their internal consistency.

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Table 3: Reliability Test

S/N	Pretest Response (X)	Post-test Response (Y)	d = X - Y	d^2
1	37	35	2	4
2	36	38	-2	4
3	35	34	-1	1
4	37	36	1	1
5	35	33	2	4
6	30	32	-2	4
7	35	34	1	1
8	33	35	-2	4
9	36	37	-1	1
10	35	36	1	1
			$\sum$	25

Applying Spearman Rank Correlation Formula gives:

$$= 1 - \frac{6\sum d^2}{n(n^2 - 1)}$$

Substituting n = 40, and $\sum d^2 = 25$, the equation becomes:

$$= 1 - \frac{6 * 25}{40(40^2 - 1)} = 0.99$$

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The coefficient correlation of 0.99 shows that the instrument is reliable.

Data Analysis

The collected data were analyzed with both descriptive and inferential statistics. Descriptive analyses utilized were simple percentage and mean, while inferential analysis utilized is simple regression analysis at 5 percent significance level. To run the analysis, the study also applied the Statistical Package for Social Sciences (SPSS) software, to evaluate the corporate governance practices of both the failed and successful generational transition family businesses in Anambra State. The results were later validated with Analysis of Variance (ANOVA).

The founders of the 258 family businesses shown in bar Chart 1, disclosed that 115 or nearly 45% of them were founded by the present Directors, 104 or slightly over 40% of them have undergone transition to the first generation, while only 5 or less than 2% of them have undergone transition to the second generation.

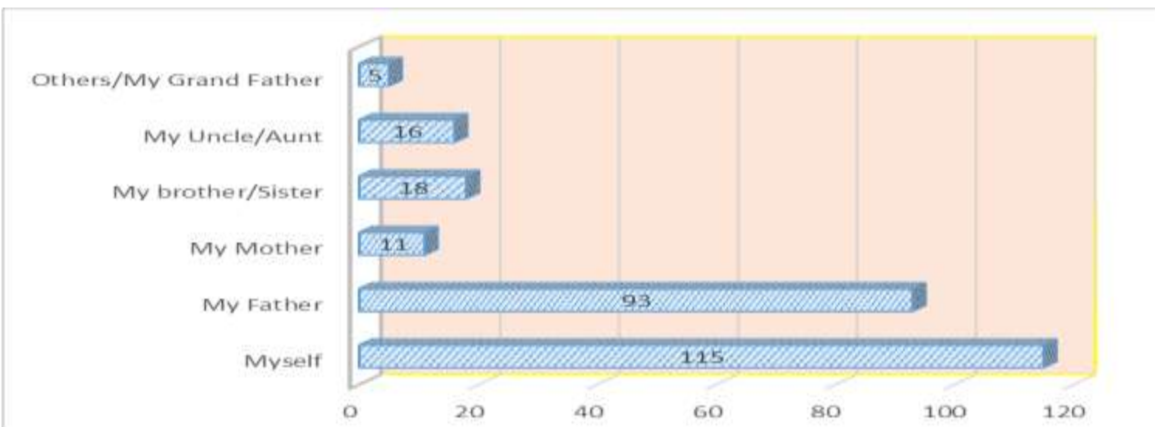

Chart 1: Founders of the Family Businesses

The distribution in relation to demographic profile and business characteristics of Founders or Directors of FBs in Anambra State are depicted in Table 4, which showed that 221 or nearly 86 percent of the respondents are males, while only slightly above 14 percent or 37 respondents are females. On their educational qualifications, the survey revealed that while only 22.9 percent of the respondents have tertiary education, 58.9 percent and 18.2 percent have secondary and primary educations respectively.

The study revealed that while 21.7 percent of the respondents are between the ages of 61 to 70 years, that only 1.2 percent of them are less than 20 years. Also, 7.4 percent, 18.2 percent, 19.8

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percent of the respondents are between the ages of 20 to 30 years, 31 to 40 years, and 41 to 50 years respectively.

Table 4: Demographic Profile of Founders or Directors of FBs in Anambra State - Nigeria

Variables	Options	Frequency	Percentage (%)	Cumulative (%)
Gender	Male	221	85.7	85.7
	Female	37	14.3	100
Age	Less than 20 yrs	3	1.2	1.2
	20-30 Years	19	7.4	8.6
	31-40 Years	47	18.2	26.8
	41-50 Years	51	19.8	46.6
	51-60 Years	52	20.1	66.7
	61-70 Years	56	21.7	88.4
	Above 70 Years	30	11.6	100
Educational Qualification	Primary	47	18.2	18.2
	Secondary	152	58.9	77.1
	Tertiary	59	22.9	100
Business Experience	1-5 Years	27	10.5	10.5
	6-10 Years	73	28.3	38.8
	11-15 Years	77	29.8	68.6
	16-20 Years	46	17.8	86.4
	Above 20 Years	35	13.6	100
Marital Status	Single	50	19.4	19.4
	Married	128	49.6	69.0
	Divorced	21	8.1	77.1
	Widow/Widower	59	22.9	100
Employees	1-5	28	10.9	10.9
	6-10	80	31	41.9
	11-15	67	26	67.9
	16-20	45	17.4	85.3
	Above 20	38	14.7	100
Respondent's Position	CEO/Director	231	89.5	89.5
	Manager	27	10.5	100
Undergone Generational Transition?	Yes	125	48.4	48.4
	No	133	51.6	100
	Total	**258**	**100**	

On the respondents' marital status, it could be observed from Table 4 that while 19.4 percent are single, that 49.6 percent are married. Also, 8.1 percent and 22.9 percent of the respondents are divorced and widowed respectively.

The remaining analyses were performed with the answers provided by the 125 family businesses in Anambra state that have undergone generational transition. A five point Likert structured questionnaire for data collection was employed for most of the questions, while the remaining few questions were open ended questions.

The Influence of Corporate Governance in both the Failed and Prospered Generational Transition Family Businesses

Table 5: Distribution of Responses for the Influence of Corporate Governance in the Failed and prospered GT FBs in Anambra state

S/N	Questionnaire Items	SA (5)	A (4)	UD (3)	D (2)	SD (1)	Mean $\bar{x}$	Decision
	The Influence of Corporate Governance in the failed GT FBs							
44	Our company has a well-defined governance structure	15	13	4	31	27	2.53	Reject
45	We have a management that is accountable for corporate functioning	22	7	7	33	21	2.73	Reject
46	The company's leadership is responsible and accountable	30	21	15	7	17	3.44	Accept
47	Our family business is transparent and does not keep secrets	23	14	15	9	29	2.92	Reject
48	We protect and promote the interest of all stakeholders	40	27	3	13	7	3.89	Accept
49	The company's management has moral integrity	37	22	9	14	8	3.84	Accept
50	The leaders of the family business have defined roles & Responsibilities	20	17	10	17	26	2.87	Reject
51	We have a regular compensation review and management	15	17	23	19	16	2.96	Reject
52	Our auditor is independent and transparent	12	11	3	34	10	2.12	Reject
53	We practice equity, participation, & inclusiveness of all stakeholders	30	13	11	9	27	3.11	Accept
54	The business is managed with strong rules	24	13	9	18	26	2.9	Reject
55	The company's management is transparent	27	20	12	24	7	3.4	Accept
56	The business is managed with Sound Policies	28	14	9	16	23	2.92	Reject
57	The company has a well constituted board	8	9	18	12	43	2.19	Reject
58	The company takes training issues seriously	12	9	9	35	25	2.42	Reject
59	The Board committee include both family and non-family members	6	7	33	7	34	2.28	Reject
60	The Board is proactive in its decision taking	12	15	9	37	17	2.64	Reject
	Grand Mean						**2.89**	**Reject**
	The Influence of Corporate Governance in the prospered GT FBs							
44	Our company has a well-defined governance structure	3	4	6	15	6	2.5	Reject

45	We have a management that is accountable for corporate functioning	5	0	6	9	14	2.21	Reject
46	The company's leadership is responsible and accountable	12	9	5	4	4	3.62	Accept
47	Our family business is transparent and does not keep secrets	7	4	9	8	6	2.94	Reject
48	We protect and promote the interest of all stakeholders	6	13	2	6	7	3.15	Accept
49	The company's management has moral integrity	11	15	1	4	3	3.79	Accept
50	The leaders of the family business have defined roles & Responsibilities	7	5	6	11	5	2.94	Reject
51	We have a regular compensation review and management	8	2	12	2	10	2.88	Reject
52	Our auditor is independent and transparent	4	9	5	8	8	2.79	Reject
53	We practice equity, participation, & inclusiveness of all stakeholders	7	5	5	11	6	2.88	Accept
54	The business is managed with strong rules	9	3	3	13	6	2.88	Reject
55	The company's management is transparent	10	1	4	10	9	2.79	Reject
56	The business is managed with Sound Policies	15	6	2	4	7	3.53	Accept
57	The company has a well constituted board	4	7	2	14	7	2.62	Reject
58	The company takes training issues seriously	8	3	8	9	6	2.94	Reject
59	The Board committee include both family and non-family members	7	8	4	6	9	2.94	Reject
60	The Board is proactive in its decision taking	5	5	3	12	9	2.74	Reject
	Grand Mean						**2.95**	**Reject**

Table 5 shows the distribution of responses on the influence of corporate governance in the failed and prospered GT FBs in Anambra state. The analysis is also based on the mean of the individual questionnaire items with the acceptance threshold of minimum of 3. The low mean value of 2.53 and 2.5 for the failed and prospered generational transition family businesses respectively on whether they have a well-defined governance structure revealed that the FBs in Anambra state have not adopted corporate governance in their establishments.

Apart from two questions which bordered on the transparency of the company's management and if the FBs are managed with sound policies, where the two parties gave conflicting responses and five others where they responded in the affirmative, they all rejected all other practices of corporate governance. Also, the grand mean value of less than 3 for both the failed and successful generational transition FBs reveals that they are yet to embrace corporate governance in their establishments. These clearly show that there is no significant difference in the influence of corporate governance in the failed and prospered GT FBs in Anambra state.

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Hypotheses

H_O: There is no significant difference in corporate governance practices in both the failed and prospered generational transition family businesses in Anambra state - Nigeria.

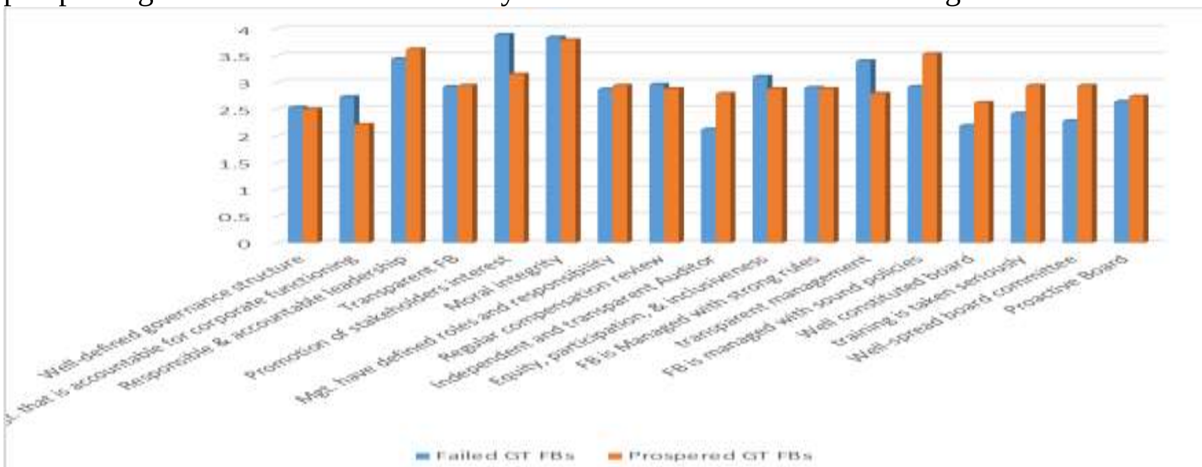

Chart 2: The distribution of responses for difference in corporate governance practices in both the failed and prospered generational transition family businesses in Anambra state. The analysis of the results as clearly shown in Chart 2 revealed that there are no significant differences in the corporate governance practices in both the failed and prospered generational transition family businesses in Anambra state

Table 6: Regression Result for the Hypothesis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.488[a]	.472	.471	1.102	0.833

Table 6 provides the details of the regression analysis result for the hypothesis. The table reveals that there is no remarkable difference in the influence of corporate governance for both the failed and prospered generational transition FBs in Anambra state, as shown by the correlation coefficient (R = .488). The coefficient of determination (R – Square = .472) reveals that only 47 percent (less than 50 percent) difference exist on the influence of corporate governance for both the failed and prospered GT family businesses in the state.

The companies' rejection of most of the corporate governance practices, as well as the low mean values and grand means of the corporate governance policies confirm that generational transition family businesses in Anambra state have not embraced corporate governance in their firms.

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Table 7: Analysis of Variance (ANOVA) for the Hypotheses

Model		Sum of Squar	**ANOVA[a]**	lean Square	F	Sig.
	Regression	8238.865	1	8466.676	678.874	.05[b]
1	Residual	120.645	486	1.824		
	Total	8359.51	487			

The Analysis of Variance result as produced in the regression analysis process for the hypotheses is shown in Table 7. As could be observed from the table, the F statistics value of [678.874] and the sig (p-value) [.05] shows that there is no significant difference in the influence of corporate governance in both the failed and prospered generational transition family businesses in Anambra state. This is because the p-value is up to the level of the significant used (p-value = .05).

Implication

Accept the hypotheses. This means that there is no significant difference in the influence of corporate governance in both the failed and prosperous generational transition family businesses in Anambra state.On the generational transition challenges they faced, the respondents listed the following: lack of succession plan, unavailability of written succession plan, unprepared successor, the inability of the founders to reveal their successors early, lack of proper mentoring, inadequate training for the successors, and lack of interest in the business by the successors.

Others are inadequate training and lack of developmental skills, lack of partnership by the founders and the successors before generational transition, as well as the inability of the founders of the family businesses to relinquish the leadership of the businesses to the successor early in order to enable him to provide the required guidance when he was still strong.

Both the failed and prospered generational transition family businesses believed that the provision of a sound succession plan early in the life of every FB, as well as proper training and mentoring of the chosen successors will drastically reduce the high rate of GT FBs in Anambra state. They also pointed out that the idea of foisting the first sons of families as the heirs and successors of family businesses even when they lack interest and focus also leads to the failure of the FBs after generational transition, they therefore advised on the need to properly train and mentor the interested progenies of FB founders no matter their positions.

While emphasizing on the need for the founders of FBs to partner with their chosen successors for a long period during which they will continue to mentor them before generational transition, as well as the need for the founders to hand over their businesses to the successor when he or she is still stronger, in order to provide the much-needed oversight and guidance.

CONCLUSION

The findings of the research have revealed that Family businesses in Anambra state are yet to embrace corporate governance in their establishments, and this could be attributed to low level of education of the founders and directors of the FBs in the area.

Their ability to adopt corporate governance principles like well-defined governance structure, responsible, transparent, and accountable leadership, protection and promotion of stakeholders' interests, management's moral integrity, defined roles and responsibilities for the leadership, regular compensation review, independent and transparent auditors, practice of equity, participation, and inclusiveness of all stakeholders, management of the businesses with strong rules and policies, well constituted board, proper trainings, inclusion of both family and non-family members in boards, as well as proactive boards will enable them to survive and prosper after generational transition.
However, despite the fact that both the prospered and failed family businesses have low values on the influence of corporate governance in their businesses which could be attributed to the low level of formal education by the business owners, yet the successful enterprises recorded higher values in entrenched corporate governance, Directors' independence and performance, regular compensation review and management, as well as in properly mentored successors.

The adoption of corporate governance by FBs in Anambra will greatly reduce the amount of generational transition business challenges and failures in the state. It will also assist them to achieve the integrity of business operations, promote the rights of family members, generate jobs by creating wealth, enhance the rule of law, and democratic governance by promoting transparency and accountability in the family businesses.

The findings are therefore consistent with the view of Kaur and Singh (2018), who pointed out that with the heightening global competitiveness in the market, as well as improved competitive advantage, that family businesses should fully embrace corporate governance in their establishments.

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