MODERATING ROLE OF FAMILY CAPITAL ON THE RELATIONSHIP BETWEEN ENTREPRENEURIAL EXPOSURE AND FAMILY BUSINESS SUSTAINABILITY IN SOUTHEAST NIGERIA

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ABSTRACT: The study was on the moderating role of family capital on the effects of entrepreneurial exposure on family business sustainability in Southeast Nigeria. The study's specific objectives were to determine how parental role modelling, financial capital, and social capital influenced entrepreneurial exposure and the sustainability relationship of family businesses in Southeast Nigeria. The study was anchored on social learning theory and sustainable family business theory. The sample size for the study was 520 small-scale businesses in Southeast Nigeria. Structured questionnaires were used to gather data from the respondents and were analysed through Haye's Moderation Approach. The results showed that there was a significant positive relationship between parental role modelling and family business sustainability ($r = 0.311$, $P < 0.000$). It was discovered that financial capital impacts positively on family business sustainability ($\beta = 0.6189$, $P = 0.0001$) and social capital impacts positively on family business sustainability as well ($\beta = 0.2762$, $P = 0.0238$). It was found that financial capital and social capital do not moderate the effect of parental role modelling on family business sustainability ($\beta = 0.0201$, $P = 0.0777$; $\beta = 0.2762$, $P = 0.0238$) respectively. It was therefore recommended that to sustain a family business, there is a need to encourage entrepreneurial exposure among prospective successors and that the family capital should be improved.

Keywords: Family Capital, Family Business, Entrepreneurial Exposure, Sustainability, Parental Role

INTRODUCTION

The perception of furthering and maintaining a legacy within a family line has existed since time immemorial. Most of the legacies or businesses, including trademarks, patents and goodwill that the world is enjoying today, were bequeathed from ancient times (Sharma, 1997; Vera & Dean, 2005). Many of such legacies and businesses, however, may have gone extinct because of a lack of maintenance and sustainability by their survivors. For instance, in Nigeria and the Southeast, many small-scale enterprises have gone extinct as soon as the owner(s) dies. The likes of JOENEB

Holyday Inn, owned by John Nnamdi Nebolisa, Ekenedirichukwu Motors by Ekene Ilodibe, Ojukwu Motors and Eastern Textiles, owned by Sir Philip Odimegwu Ojukwu, are examples.

A lot of factors drive the sustainability of businesses, but prior entrepreneurial exposure stands out as a major drive why people would want to venture into entrepreneurship and to sustain the venture as well (Krueger, 1995; Mueller et al., 2014). Entrepreneurial exposure refers to those learning activities that provide aspiring entrepreneurs with the necessary guidelines that they require for starting, running or maintaining businesses (Mitchelmore & Rowley, 2010; Kessean et al., 2015). Entrepreneurial exposures have been highlighted in the literature to be particularly important not just to aspiring entrepreneurs but also to entrepreneurial actions in general (Chlosta et al., 2012; Liguori et al., 2019), meaning that it benefits the entrepreneurs and budding or aspiring entrepreneurs as well. For entrepreneurs, entrepreneurial exposures assist them in maintaining their business line within their lineage, as it enables them to train and reveal their business secrets and skills to their offspring (Soria-Barreto et al., 2017). For aspiring entrepreneurs, on the other hand, exposure to entrepreneurial activities assists them in charting a career path, developing entrepreneurial skills, and gaining insight into not just starting up an entrepreneurial venture but also maintaining existing processes and surviving or sustaining them long after succession (Bosma et al., 2012; Soria-Barreto et al. 2017).

There have been numerous attempts at operationalising the concept of entrepreneurial exposure by different scholars. Krueger (1993) identified entrepreneurial exposure operationally to include parents as entrepreneurial role models, friends and relatives as another group of entrepreneurial role models, and previous work experiences and prior founding experiences also are in this category. Many other researchers tend to agree with this definition. However, few adjustments have been made. For instance, Zapkau et al. (2014) compressed the four dimensions into two (2) broad dimensions: Role modelling, which includes parental, other relations and friends role models, and then work experience, which involves the aspiring entrepreneur working in a small business firm where they may be exposed to some forms of entrepreneurship. Mueller, Zapkau and Schwens (2014) clarified this construct thus: entrepreneurial exposure comprises role modelling and direct entrepreneurial experience, whereby direct entrepreneurial experience refers to other entrepreneurial knowledge acquired by the aspiring entrepreneur that is outside the family business but that would assist in sustaining the family business. This study has adopted and utilised this definition in its enquiry. One area that has gained a lot of attention is entrepreneurial intentions; that is, empirical investigations that have focused on entrepreneurial exposures and the intentions of individuals to engage in entrepreneurial ventures or pursue careers that are entrepreneurially inclined. Moreover, most of these studies have been centred on the student population (Mueller et al., 2014). There appears to be a scarcity of research that examined how entrepreneurial exposures influence family business sustainability in developing economies like Nigeria and particularly Southeast Nigeria.

In Southeast Nigeria, family businesses are observably commonplace. Many of them are classified as small-scale businesses, and they operate in key sectors, ranging from transportation, bakery, food and beverages, hospitality, etc. Some of these businesses have lasted for over twenty years and are no longer run by the original founders but have been handed over to successive family members. They are scattered within the nooks and crannies of the states in Southeast Nigeria. They can be found more pronounced in areas like Aba, Nnewi, Onitsha and State capitals like Owerri, Enugu and Abakaliki. These categories of businesses are very important because apart from providing income to owner families, they also act as sources of employment for a majority of the population of the state who offer their services to these firms. They also serve as sources of revenue for the government, which collects taxes from them. Thus, it is necessary to investigate how these businesses can be sustained through entrepreneurial exposures by the founders to the offspring and to determine the role family capital plays in this relationship.

Contextual Analysis

Given the industrious nature of the people of Southeast Nigeria, family ownership of business is common in the region. However, despite the innumerable numbers of these family-owned businesses in Southeast Nigeria, studies have shown that they hardly survive after the demise of the founders (Ifekwem et al., 2011; Onyeukwu & Jekelle, 2019). The reasons for the failures may include the inability of the founders to mentor their progenies in their line of business in order to expose them to the necessary knowledge, skill, experience and secrets of the business for effective take-over when they retire or die. Instead, business founders would rather employ other hands while their children pursue other lines of business. We have had a case in Abakaliki, Ebonyi State, where the son of a renowned transporter abandoned the family business and opened a pharmaceutical company. The implication of this is that such a business will most likely discontinue as soon as the founder dies because the successor may not have received adequate mentorship needed to sustain the business.

Furthermore, a lack of family capital, such as inadequate finance needed to grow or expand the family business, may serve as a hindrance to the quality of entrepreneurial exposure required to sustain the business within the family. Likewise lack of appropriate social capital, such as the necessary connections or networks needed to properly link the business with the environment. This research, therefore, offers an effort towards resolving these issues by investigating how family capital moderates the relationship between entrepreneurial exposure and the sustainability of family businesses in Southeast Nigeria.

Objectives of the Study

The general objective of the study is to ascertain the moderating role of family capital on the entrepreneurial exposure-sustainability relationship of family businesses in Southeast Nigeria. Specifically, the study is set to:

1. Determine the extent to which parental role modelling relates to the sustainability of family business in Southeast Nigeria.
2. Examine the degree to which financial capital impacts the parental role modelling-sustainability relationship of the family business in Southeast Nigeria.
3. Ascertain the extent to which social capital influences parental role modelling sustainability relationship of family business in Southeast Nigeria.

Hypotheses

The following hypotheses were stated for this study:

Ho_1: There is no significant positive relationship between parental role modelling and family business sustainability in Southeast Nigeria.

Ho_2: There is no significant positive moderation effect of financial capital on the parental role modelling sustainability relationship in family business in Southeast Nigeria.

Ho_3: There is no significant positive moderation effect of social capital on parental role modelling sustainability relationships in the family businesses in Southeast Nigeria.

LITERATURE REVIEW

Some of the related studies on family businesses, family capital and entrepreneurial exposure were reviewed in line with the objectives of the study. The review started with the major constructs and measurement variables to the theoretical framework.

Conceptual Review

Entrepreneurial exposure, just like most concepts in entrepreneurship and strategic management, does not have a one-all definition; instead, there have been various definitions by different scholars that have investigated the concept. An early definition of the concept by Venkataraman (1997) states that entrepreneurial exposures are the individuals' economic and social activities that lead to acquiring knowledge regarding an entrepreneurial career. The major deviation of this definition from recent definitions is that exposure has been viewed not as experience per se because experiences do not necessarily have to be intended, nor does it easily translate into actions, rather, exposure is a deliberate attempt designed to reveal certain secrets, skills and knowledge that would ensure the easy adaptation of an individual into an entrepreneurial career (Mueller et al., 2014; Kassean et al., 2015). This view depicts a clearer picture of the concept because it tends to point at the origin of entrepreneurial exposures, and this research aligns with this view.

Krueger (1993) avers that prior exposure to entrepreneurship could be a result of association with role models. The association arouses interest and passion in entrepreneurs with entrepreneurial family backgrounds or prior work experience in an entrepreneurial firm to become more resilient. Many other scholars (Mitchelmore & Rowley, 2010; Mueller, 2014; Sweida, 2018; Chukwu, Olaitan & Omeje, 2018) have supported these claims with slight variations. For instance, Chukwu et al. et al. (2018) believe that exposure can also come from entrepreneurship education in a formal setting. This, no doubt, is a valid point. However, most entrepreneurship education is usually theory-based, devoid of practical, and may not be centred on the management of family businesses but on businesses in general. Emphasis on family business is paramount here because of the need to preserve ownership and management control. Therefore, formal entrepreneurship education has not been considered in this study. Entrepreneurial exposures, as defined and utilized in this study, are those activities engaged in by the management of the family business that are geared towards training, coaching and enlightening future owners and managers on the goals of the business and on ensuring the continuity and sustainability of the business. These various training, coaching and enlightenments include parental role models and direct entrepreneurial experiences.

Parental Role Models

Parental role modelling refers to the information, guidance and support that people receive from their parents or family members that are expected to shape their entrepreneurial careers. An individual's entrepreneurial pursuit, in most cases, is dependent on the family background. Parents have accumulated knowledge acquired over the years, which they inculcate in other family members. Consequently, Mishkin (2021), Staniewski and Awruk (2021), and Vladasel (2019) aver that parents provide support to their children in choosing entrepreneurship as a career, and this can occur by transfer of both human, social and financial capital. Due to the importance of entrepreneurial activities in the growth and economic development of countries, (Castellanza, 2020) suggest studying parental influence in entrepreneurship development. In line with the views of Castellanza (2020), Kimmitt et al. (2020) posit that entrepreneurship offers individuals the chance to seek higher incomes and sometimes becomes the only means of access to employment and livelihood.

Other family business scholars such as Mishkin (2021) and Moreno-Gómez et al. (2022) have technically extended the earlier line of thought of parents – entrepreneurship – family business influences. To them, parents are important socializing agents that inspire interest in their children's entrepreneurial careers (Mishkin, 2021), particularly in the intergenerational transmission (between different generations) of entrepreneurial behaviour. There are empirical results that having entrepreneurial parents is positively related to an increase in the probability of family members becoming entrepreneurs

Family Capital

Family capital comprises the total resources and networks associated with the family. The resources and networks are in the form of human, social, cultural and financial capital. Human capital represents the calibre of family members that are either in positions of authority or are very influential in society; social capital represents the goodwill or the levels of connections that the family has built in the course of her business operations over the years, and financial capital refers to the totality of the physical and monetary assets of the family (Van Auken & Werbel, 2006). The cultural aspect takes a look at the language spoken, the process of exchange, etc. However, Ehsan et al. (2019) and Shiell et al. (2020) have expanded the scope of social capital by referring it to the aggregate of actual or potential resources that individuals can obtain through an institutionalized social network, and it is the product of continuous effort, long-term operations, and the reciprocal communication of interest. This form of capital is usually characterised by professional status and the number of family members. This study will adopt the social and financial constructs of family capital as mediators in the entrepreneurial exposure-sustainability relationship of the family business.

a) **Financial capital:** For any enterprise to be established five resources are brought together. The resources are human, physical, information, time and financial. In the case of family businesses the issue of financial resources is raised by a member or members of the family. Such financial resource includes personal or aggregated savings, pooled physical assets, physical equipment convertible asserts. In the words of Ireland, Sirmon, and Hitt (2003), financial capital consists of all the different types of monetary resources which firms can use to create and enforce strategies, which can also be used to acquire other resources, either tangible resources as equipment or intangible resources as human capital. Kushnirovisch and Heilbrunn, (2007) add that many of those small firm owners fund their firms through their personal savings, supplemented by family money and community resources. To Ashraf, Dalia, and Ashraf (2020), financial capital also provides the freedom to explore entrepreneurial opportunities among family members.

b) **Social Capital:** Social capital involves humans, their interactions with each other and their relational networking. To Bubolz (2001), it is an asset that may be accumulated and used in business activity to pursue opportunities and increase market shares and profit. It may include but is not limited to goodwill, trust, network ties, and language shared. In other words, its usage creates a profitable relationship between family firms and society. These kinds of relationships (D'Angelo et al, 2016) adduce, are found within family firms as well as between family firms and their external clients, partners and other parties. This expression divides social capital into internal and external social capital. It further goes to explain that social capital is not limited to family businesses alone.

Family Business Sustainability

A family business is said to be sustainable if it is able to profitably satisfy the calling consumers and needs of all the stakeholders. To this end, (WCED in Svoboda, 2019) asserts that sustainability is meeting the current needs of a business without compromising the ability of future generations to meet their own needs. The idea behind the sustainability of a family business is that they are unique in their visions of establishments; therefore, they have distinctions in their quest for transmitting a thriving business to emerging generations, which often leads to making decisions that favour the permanence of the business. The bequeathing aspirations of family businesses often foster stability and healthy relationships with the community and other stakeholders. Sustainability of family businesses gauges the extents to which the successors are able to maintain in the tradition of the original business; the extent that they are able to improve the business process by innovations and creativity; and the extent to which they are able to espouse the same line to their off-springs. The relationship between parental role models and business sustainability is shown in Figure 1.

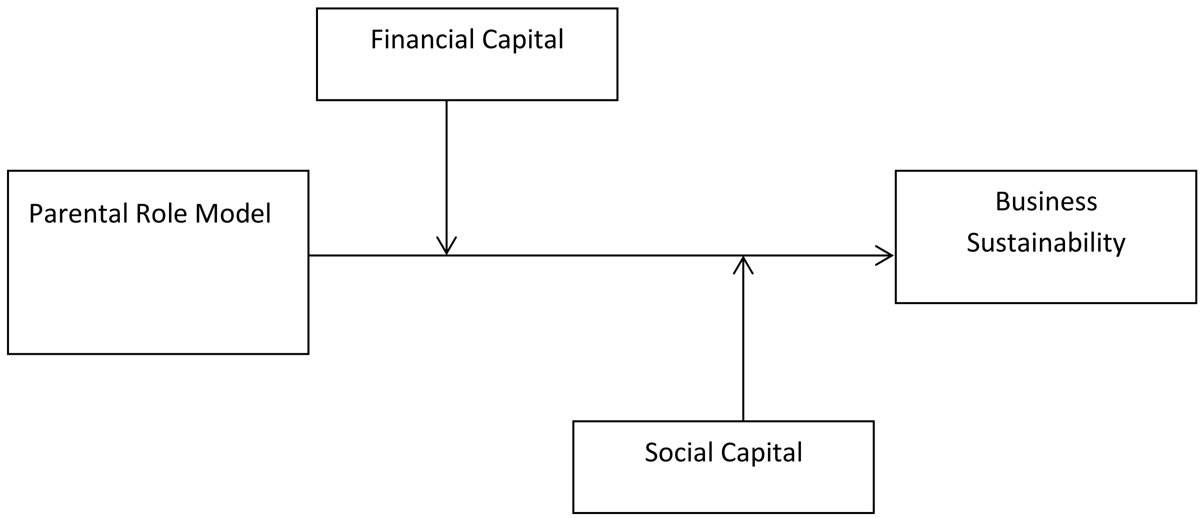

Figure 1: Conceptual Framework

Source: Researchers' Design, 2024

Empirical Reviews

Okeke (2021) investigated the relationship between sustainability and succession planning. The study focused on family businesses in Southeast Nigeria. The objective was to establish how mentoring, communication, and training affected the sustainability of selected family businesses in Southeast Nigeria. Game and Stewardship theories were adopted for the study. The methodological approach used for the study was a survey research design with a sample size of 335 respondents. The stated hypotheses were analysed using multiple regression as the statistical tool. The results obtained showed that mentoring, training and communication do have positive significant effects on sustainability of family business. The recommendations suggested that owners of family businesses should ensure that would be successors should be mentored and trained in that line of business. Again, effective communication in terms of managerial skills requires that technical know-how of the business, including established networks, should be made available to would-be successors.

Zaman, Arshad, Sultana and Saleem (2020) studied how family business exposure affects individuals' entrepreneurial intentions. The study set out to establish the extent to which family business exposure affected individuals' entrepreneurial intentions. The study was anchored on institutional theory rooted at the micro-level. The coercive, normative and mimetic mediation institutional forces were considered in the study. They designed a survey that included 367 university students in Pakistan from which they collected data with the aid of a structured questionnaire. The constructs and measurement variables were tested using the structural equation modelling technique. The findings indicated that exposure to family business has positive influences on institutional forces, which further enhances the exploitation of individuals' EIs. However, it was found that family business exposure was not directly affected by EIs, implying that there was a full mediation of institutional forces between the relationship of family business exposure and EIs. It was, therefore, concluded that institutional forces influence the exposures that individuals receive from family businesses, and this increases their entrepreneurial intentions.

Trang, Do, and Luong (2019) conducted a study titled "Entrepreneurial Human Capital, Role Models, and Fear of Failure and Start-up Perception of Feasibility among Adults in Vietnam". The study averred that there are inconsistencies in the findings in the numerous studies that have investigated how human capital and role models interact in the entrepreneurial process. Indeed, their attention was on how human capital, role models, fear of failure, and entrepreneurial feasibility relate to providing an understanding of the entrepreneurship environment in Vietnam. They administered a comprehensive questionnaire to a total of 2118 adults. The analytical tool adopted in the treatment of the data was the logistic regression analysis. The findings were that the entrepreneurial processes of businesses in Vietnam were positively and significantly affected by human capital, role models and fear of failure. Thus, it was concluded that the established constructs of the study can be used to sustain an entrepreneurial process.

Entrialgo and Iglesias (2017) undertook a study titled "Are the intentions to the entrepreneurship of men and women shaped differently?" The purpose of the study was to determine how the proposed models of the study are about the generation of entrepreneurship intentions and how the difference in gender impacts entrepreneurship intentions. To this effect, through a survey, they selected 338 final-year undergraduates and administered a structured questionnaire to them. The statistical tools adopted were not mentioned. The study found that external factors played a greater role in inculcating entrepreneurial behaviour in women. Other factors, such as exposure to parental role models and exposure to entrepreneurship education, aroused women's interest in entrepreneurial behaviour.

In a related study, Mueller et al. (2014) presented cross-cultural evidence in a study titled: "Impact of prior entrepreneurial exposure on entrepreneurial intention." The study examined the moderating roles of national culture on the prior entrepreneurial exposure-intention relationship. To ascertain this, they adopted the tenets of the TPB to test their proposed hypotheses on a total of 253 German and Ethiopian students. With the aid of a Structural Equation Model (SEM), the data gathered from the survey were analysed, and the results indicated that those with individualistic backgrounds depend solely on entrepreneurial experiences in their quest for entrepreneurial intention. In contrast, those found in collectivistic cultures depend on knowledge provided by entrepreneurial role models. The study added culture as a boundary condition to the discourse.

Theoretical Framework

This study will investigate the effects and relationships of the variables herein with two (2) related theories: Social Learning Theory (SLT) and Sustainable Family Business Theory (SFBT). The SLT will be used to describe the relationship between entrepreneurial exposures and business sustainability, while the SFBT will be used to describe the moderating effect of family capital on these relationships. The SLT, as propounded by Bandura in 1977, posit that behavioural patterns are acquired by individuals through their social environment and from role models in particular. The theory avers that through observation, the behaviours of role models are acquired by the experiences that they garner from their immediate social environment and that they recognise desired outcomes from such behaviours, which in turn shape their attitude towards the observed behaviours. Relevant role models include parents, relatives, or friends (Bandura, 1977).

Similarly, the SFBT emphasises sustainability instead of revenue and views sustainability as a function of success and functionality, as well as how family members exchange resources across systems. Stafford, Duncan, Danes and Winter propounded the theory in 1999. The theory captures issues such as the structures and resources of the family business and recognises family capital input to include social, human, and financial capital. The tenets of the theory are that:

a. Resource processes (use or transformation of capital) and interpersonal processes (e.g., conflict management, communication, personal relationships) in a family business may facilitate or inhibit family business sustainability.
b. Family and business interact by exchanging resources across boundaries
c. Owning families manage business and family jointly to optimise achievements.

In linking and relating these theories to the current study, entrepreneurial exposures, which comprises of role modelling and direct experiences, are easily gathered from social learning from the environment and would, if of high quality, enhance entrepreneurial actions like intentions to start a business, or sustaining already existing ones and this captures the tenets of the SLT. Family capital, on the other hand, comprises the various resource mixes at the disposal of the family business that enable them to acquire competitive advantages. These can be combined with the knowledge and experiences of the SLT to enhance entrepreneurial actions. The theories are therefore linked thus: that entrepreneurial exposure will be related to business sustainability and that this relationship will be dependent on the family resources of the businesses in question. Figure 1 above shows the link between the variables.

METHODOLOGY

The survey research design capturing the moderating role of family capital on the entrepreneurial exposure-sustainability relationship in family business was adopted. The population of the study consisted of small-scale businesses in Southeast Nigeria, which was 51,686 (SMEDAN/NBS, 2021). The sample size of 520 small-scale businesses was determined using Krejcie and Morgan (1970). The 520 small-scale businesses were chosen because they have been in existence for more than five years. Structured questionnaires were administered to the selected firms because the research is a survey research study, and a structured questionnaire is the best tool for eliciting information. Cronbach's Alpha was deployed to establish the reliability of the instrument for the various dimensions of the study. The results showed that PRM = 0.939, DEX= 0.960, SCP = 0.945, BST = 0.946 and FCP = 0.938, which affirms instrument reliability. Stimulatory entry moderation analysis, which is an equivalent but an upgrade of the hierarchical regression analysis, was further deployed. The analysis was conducted with Andrew Hayes' PROCESS Plugin on SPSS because it aids in exploring direct, indirect and conditional effects within any set of data, thereby ensuring accurate and reliable results.

RESULTS

The results obtained from the collated data are duly explained in this section

a) Response Rate

Table 1: Questionnaire Administration and Response Rate

		Freq.	Percentage (%)	Valid (%)	Cumulative (%)
Valid	Unreturned	99	19.0	17.1	17.1
	Returned	421	80.9	82.9	100
	Total	**520**	**100**	**100**	

Source: Field Survey, 2024

Table 1 shows that 520 copies of the structured questionnaire were administered, but only 421 copies were successfully filled out, returned, and used for the analysis.

b) Descriptive Statistics

To explore and ascertain asymptotic characteristics of the constructs before estimation, descriptive statistics were deployed.

Table 2: Descriptive Statistics and Correlation between variables of the Study

		Gender	Firm Age	Bus Gen	PRM	SOC	FIN	SUS
Gender	Pearson Correlation	1						
	Sig. (2-tailed)							
	N							
Firm age	Pearson Correlation		1					
	Sig. (2-tailed)	421	421					
	N							
Bus. Gen	Pearson Correlation	-.033	.036	1				
	Sig. (2-tailed)	.501	.457					
	N	421	421	421				
FRM	Pearson Correlation	.012	-.021	.078	1			
	Sig. (2-tailed)	.801	.669	.112				
	N	421	421	421	421			
SOC	Pearson Correlation	-.019	-.015	-.005	.266**	1		
	Sig. (2-tailed)	.702	.755	.915	.000			
	N	421	421	421	421	421		
FIN	Pearson Correlation	-.052	.034	.059	.410**	212**	1	
	Sig. (2-tailed)	.283	.483	.224	.000	.000		
	N	421	421	421	421	421	421	
SUS	Pearson Correlation	-.076	.022	.049	.311**	.442**	.365**	1
	Sig. (2-tailed)	.122	.652	.319	.000	.000	.000	
	N	421	421	421	421	421	421	421

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

Table 2 shows the mean, standard deviation scores and the relationship between the constructs of the study. The results of the tests indicated that there is a moderate positive and significant association between parental role model (PRM) and family business sustainability (r = 0.311**, P < 0.000, n = 420). This result implies that parental role models foster family business sustainability. As family members get exposed to entrepreneurship through their family members, such as parents, they are more likely to gain the basic and necessary knowledge required to manage and sustain the business within the family.

Table 3: Result of Hypothesis 2, showing the Moderating Effect of Financial Capital

r	r2	MSE	F	dF1	dF2	P
0.4133	0.1708	22.1063	28.5667	3.0000	416.0000	0.0000
	Coeff	SE	t	P	LLCI	ULCI
Constant	4.9917	1.3702	3.6429	0.0003	2.2982	7.6852
SUMPRM	0.3846	0.1142	3.3674	0.0008	0.1601	0.6090
SUMFIN	0.6189	0.1547	4.0009	0.0001	0.3148	0.9230
Int_1	-0.0201	0.0114	-1.7687	0.0777	-0.0424	0.0022

Source: PROCESS V.3 Output

Note: PRM = Parental role model, FIN = Financial Capital, LL = Lower Level, UL = Upper level, CI = Confidence Interval, MSE = Mean Square error

Table 3 presents a positive significant relationship between PRM and family business sustainability when moderated with financial capital (β = 0.3846, P = 0.0008). The implication is that a higher level of parental role modelling fosters business sustainability among family business successors in South East Nigeria when the impact of financial capital is considered. Similarly, the research showed that there is a significant (positive) effect of financial capital on business sustainability (β = 0.6189, P = 0.0001). This means that a higher level of family support by way of financial capital can foster family business sustainability among family business successors in South East Nigeria.

However, whereas the overall model is significant with a P value below .05 (P = 0.0000) the interaction effect (int I) of parental role modelling moderated by a financial capital on business sustainability is negative (β = -0.0201, P = 0.0777), and not significant because there is zero between the lower-level confidence interval and the upper- level confidence interval. This implies that although both parental role modelling and financial capital are great predictors of business sustainability, they do not interact accordingly to foster business sustainability. In other words, whether financial capital is high, medium or low, it does not determine whether or how parental role modelling will affect sustainability. Instead, the negative result indicated that it might reduce the impact of parental role modelling on business sustainability.

Table 4: Result of Hypothesis 3, showing the Moderating Effect of Social Capital

r	r2	MSE	F	dF1	dF2	P
0.4784	0.2376	20.3757	43.2137	3,0000	416.0000	0.0000
	Coeff	SE	t	P	LLCI	ULCI
Constant	6.4782	1.4884	4.3526	0.0000	3.5526	9.4039
SUMPRM	0.1199	0.1120	1.0702	0.2851	-0.1003	0.3401
SUMSOC	0.2762	0.1218	2.2681	0.0238	0.0368	0.5156
Int_I	0.0083	0.0086	0.9704	0.3324	-0.0085	0.0252

Source: PROCESS V.3 Output

Note: PRM = Parental role model, SOC = Social capital, LL = lower level, UL = upper level, CI = Confidence Interval, MSE = Mean square error

Table 4 shows that a significant relationship does not exist between PRM and business sustainability when moderated with social capital (β =0.1199, P = 0.2851). This implies that more of parental role modelling does not foster business sustainability among business successors in Southeast Nigeria when the impact of the social capital is taken into consideration. The research showed that social capital has a significant (positive) effect on business sustainability (β = 0.2762, P = 0.0238). This implies that with more family support by way of social capital, the sustainability of the family business can be maintained among successors in Southeast Nigeria. Thus, it is concluded that more parental role modelling enhances the sustainability of family businesses in Southeast Nigeria when social capital is considered.

However, whereas the overall model is significant with a P- value below .05 (P = 0.0000), the interaction effect (Int_I) of parental role modelling moderated by a social capital on business sustainability is positive (β = 0.0083, P = 0.3324) and not significant because there is a zero between the lower-level confidence interval and the upper-level confidence interval. This implies that although both parental role modelling and social capital are not great predictors of business sustainability, they do not interact well to foster business sustainability. In other words, whether social capital is high, medium or low does not determine whether or how parental role modelling will affect sustainability.

DISCUSSION

Observation from hypothesis number one is that “there is no positive significant relationship between parental role modelling and family business sustainability in Southeast Nigeria”. The aggregated sum of the question items of the variable PRM and family business sustainability indicated a moderate positive and significant association (r = 0.311**, P, 0.000, n = 420). By implication, parental role modelling fosters family business sustainability. The result showed that as the family members get exposed to entrepreneurship through their family members, such as their parents, they will better acquire the fundamental know-how required to manage and sustain the business within the family. On the other hand, it suffices to say that exposure acquired from parental role modelling can ignite entrepreneurship intentions and will equip the individual with the necessary skills and knowledge needed to manage and sustain a business.

The following hypothesis tests the moderation effect of financial capital on the parental role modelling-sustainability relationship in family business in Southeast, Nigeria. The responses on financial capital were aggregated and tested on how it interacted with the parental role modelling-family business sustainability using PROCESS V. 30 model 1. The result indicated that the interaction effect (Int_I) of parental role modelling, moderated by a financial capital on business sustainability is negative (β = - 0.0201, P = 0.0777), and not significant because between the lower-level confidence interval and the upper-level confidence interval there is a zero. This implies that though both parental role modelling and financial capital are great predictors of business sustainability, they do not interact fine to foster business sustainability. In other words, whether financial capital is high, medium or low, it does not determine whether or how parental role modelling will affect sustainability. Instead, the negative result indicated that it might reduce the impact of parental role modelling on business sustainability. It can also be viewed that the successors of such family businesses might not have proper management of finance; so, the availability of the finance may not necessarily translate to sustainability of the business. The crux of the finding is that, it is the skills and training from the role models that is required because whether finance is high, medium or low, it would not matter to the sustainability of the family business if role model exposure is lacking.

In the third hypothesis, the moderation effect of social capital on parental role modelling-sustainability relationship in family business were tested. We aggregated the responses on social capital and tested how it interacted with the parental role model-family business sustainability relationship. The analysis was done using PROCESS V. 30 Model 1. The result indicated that the interaction effect (int_I) of parental role modelling moderated by a social capital on business sustainability is positive (β = 0.0083, P = 0.3324) but not significant because between the lower-level confidence interval and the upper-level confidence interval, there is a zero. The implication of the result is that although both parental role modelling and social capital are great predictors of business sustainability, they do not interact well to foster business sustainability. On the other hand, whether social capital is high, medium or low, it does not determine whether parental role modelling will affect sustainability. It revealed that availability of the social capital is good to an extent but is not too important because the individual may have their own social capital that they may decide to work with. However, the positive effect indicated that it influences the way parental role model impacts family business sustainability at lower, medium or higher levels, just that the impact is not of high importance.

Conclusion

It is concluded that most of the family businesses in Southeast Nigeria are run by males. Most of the family businesses are in operation within the first five years and most of them are in their second generation as well. Parental role modelling has a positive significant effect on family business sustainability. Family capital, which consists of financial capital and social capital, also have positive significant relationships with family business sustainability. It was also discovered that family capital did not moderate the effect of parental role modelling on business sustainability.

We, therefore, conclude that family business in Southeast Nigeria benefits from the parental role modelling and that the family capital also fosters the sustainability of the business in the family.

Recommendations

Based on the findings, the following recommendations are made:

1. Family businesses in the Southeast should adopt and encourage parental role modelling of their family members if they intend to sustain the business in the family. It goes a long way to ensuring that the successors of the family business are trained appropriately and acquire fundamental skills needed to sustain the business.
2. Family businesses in the Southeast Region and other regions of Nigeria as well should find a way of incorporating financial training to prospective successors of the family business. This is important as the study showed that the extent of financial capital does not moderate how exposure affects sustainability. This means that it is only through proper financial management, which could be acquired through financial training that would ensure that such financial capitals are used adequately by the successor in sustaining the family business.
3. Owners of family businesses in the Southeast Region are encouraged to create intentional profitable relationships between the family business and society, which they can rely on in times of need. This form of alliances could be within the family firm or between the family firm and society, fostering goodwill and mutually beneficial networking. Such relationships has been found to even out live the family businesses into subsequent generations.

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