Family Values and Business Sustainability of Family-Owned Businesses in Lagos State, Nigeria

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Abstract

This study investigates the effect of family values on the sustainability of family-owned businesses in Lagos State, Nigeria. Given the significant role of family enterprises in generating employment and fostering economic development, understanding the influence of internal family dynamics is crucial for the long-term survival of these businesses. The study adopted a quantitative research design and employed a structured digital questionnaire administered to a randomly selected sample of 385 respondents from various family-owned businesses in Lagos. Data were analysed using ordinal logistic regression to ascertain the relationship between family values and business sustainability. The findings revealed that essential family values significantly contribute to the continuity and resilience of family enterprises. The results align with previous empirical studies, confirming that the sustainability of family businesses is strongly linked to the quality of family cohesion and value systems. The study concludes that integrating family values into succession and operational strategies is essential for ensuring the longevity of family-owned businesses. It recommends that business owners and policymakers promote value-driven leadership and structured succession planning to enhance sustainability outcomes.

Keywords: Family values, Business Sustainability, Family-Owned Businesses, Succession Planning.

1.0 Introduction

A set of firmly held beliefs and behaviour norms known as family values has traditionally determined the structure, functioning, and survival of family systems across generations. These core values of familial unity dictate the relationships among people and contribute to the larger social context by passing down cultural and moral standards (Yilmaz *et al*., 2024). As a fundamental socio-cultural institution, the family fosters trust, cohesion, and support among its members, influencing individual character development and maintaining social balance (Elsayed, 2024). Researchers, including Prasad et al. (2024) and Belyanskaya et al. (2024), argue that values such as empathy, respect, and responsibility can regulate intra-household interactions and shape the moral and civic identity of the next generation.

Globally, business sustainability has been improving in tandem with this. The ability of a business to produce long-term financial gains while successfully handling its social and environmental obligations is known as business sustainability (Blinova et al., 2022; Ashok et al., 2023). It entails morally righteous tactics that strike a balance between social justice, ecological integrity, and economic growth. In order to make decisions that are both profitable and fair to both society and the environment, sustainable businesses incorporate long-term planning (Satar, 2022).

Family values and corporate sustainability come together in family-owned businesses (FOBs). FOBs are essential to the growth of the world economy. In the US, they account for 62% of employment and 64% of GDP (Blinova *et al*., 2022). About 85% of businesses in Asia are family-owned, whereas they make up around 50% of the GDP in Europe (Russell Reynolds *et al*., 2023). These numbers highlight the economic importance of family businesses and the potential impact of family values on environmentally friendly corporate practices. According to research, family values like loyalty, trust, and moral leadership can help create a positive workplace culture that supports stability and expansion over the long run (Abdelaziz, 2021).

About 70% of small and medium-sized businesses (SMEs) in Nigeria are family-run, and they account for about 50% of the country's GDP (Business Day, 2024). Despite this importance, only 18% of Nigerian family-owned businesses use sustainable practices or impact-driven investing (Abdelaziz, 2021). The sustainability of the majority of Nigerian family businesses is impacted by issues such as nepotism, intergenerational conflict, lack of succession planning, and the conflict between traditional and modern business environments (Ardyan et al., 2023; Dolar et al., 2020; Lunkka, 2023). Furthermore, cultural factors like communalism, patriarchy, and deference to authority are important in business performance and decision-making (Owusu et al., 2024).

There is a dearth of empirical data in Nigeria, despite the fact that family values have been acknowledged in international literature as being important for business survival. With little attention to how socio-cultural values affect a business's sustainability, the majority of the literature that is currently available has concentrated on the financial performance of family businesses or the larger field of entrepreneurship. Due to a lack of strong institutional support networks and competing morals, family businesses frequently fail to survive past the second generation in places like Lagos State, Nigeria's commercial hub (Nwuke & Adeola, 2023). Therefore, investigating how intrinsic family values affect the viability of family businesses in Nigeria is essential.

This research is quite important to a number of stakeholders. For business owners and managers, it provides insight into how family values, such as succession planning, leadership style, decision-making, and conflict resolution, can be leveraged to promote business sustainability. The empirical addition to the existing literature on the dynamics of family business in emerging economies may benefit academics and researchers. Policymakers and industry regulators could also find the findings valuable in developing supportive policies that strengthen family-owned enterprises. Increasingly, studies have focused on the factors affecting sustainability of family businesses, including internal factors like governance arrangements, succession issues and family values. For instance, Abaddi (2025) and Adedayo et al. (2016) studied succession planning and the sustainability of family-owned businesses in Lagos and Ogun States and found that there is a significant improvement in the sustainability of family-owned businesses where structured succession planning exists. Such research can be useful in understanding organizational practices that can contribute to longevity, but it may fail to address the more fundamental cultural and value-based underpinnings of strategic decisions in family businesses. This is especially relevant to Nigeria because family values greatly influence business norms, the nature of leadership transitions, and an orientation towards the long term. Hence, the current study aims to build upon the existing body of literature and narrow its scope to the role family values play in the sustainability of family businesses. To address this gap, the primary objective of this study is to examine the impact of family values on family business sustainability in Nigeria. Therefore, the following research question is used to guide this study:

To what extent does family value impact the business sustainability of family businesses in Nigeria?

2.0 Literature Review

2.1 Conceptual Review

2.1.1 Concept of Family Values

Within family-owned businesses, family values serve as a foundational principle that guides interactions, relationships, decision-making, and the business's long-term vision. Family values, particularly in the business realm, have remained quite significant over time, necessitating for various definitions from different perspectives. The diverse views of scholars shape the definition of this concept.

According to Jenaćković and Krstić (2021), family value is the degree to which the family of origin upholds traditional values, which has a big impact on young people's or generations' marriage and reproductive behaviour. Traditional family values like gender roles, marriage before childbirth, and the influence of extended family are highlighted in their definition. According to Jenaćković and Krstić (2021), these family values influence how younger people view and handle marriage and having children. For instance, in a typical traditional family, a young person's commitment to family values frequently causes them to put off having sex until marriage, which they then prioritise in order to avoid needless attention.

James and Giwa (2023) examined family values from ethical and moral perspectives concerning economic performance. James and Giwa (2023) linked family values to ethical and moral principles that are vital to economic activity and shaped by family ties and structure. Based on this definition, values play a significant role in economic performance, as they guide and influence perspectives and behaviour, forming the foundation for distinguishing right from wrong. This definition, as noted by James and Giwa (2023), establishes a vital connection between family values and economic behaviour, as they argue that the two cannot be separated. Rahman (2025) contends that the way a family instils values such as honesty, hard work, trustworthiness, and self-discipline directly affects an individual's economic activities, whether they later become entrepreneurs, save money, or avoid corrupt practices.

In addition, Sjögren *et al*. (2024) viewed family value as a prerequisite for building and structuring the community's wellness. Sjögren *et al*. (2024) perceived family values as the various moral and social values established and maintained within the family, encompassing different ethical virtues and social norms learned and cultivated through the behaviours, interactions, and relationships of family members. This definition emphasises that family values comprise various ethical guides and social norms developed and upheld within the family. These values are then transmitted through family members' actions, speech, and conduct, thus playing a crucial role in shaping individuals' attitudes and behaviour. The family remains an integral part of the formation of values.

Upon critically examining these various definitions provided by different scholars, one can discern that family values encompass diverse moral, cultural norms, and ethical beliefs that shape family and business activities. Family values serve as the backbone of the decision-making process in businesses; for instance, they influence how family businesses address challenges, manage the transition of power, and interact with other stakeholders (Signori & Fassin, 2023). Often, the sustainability of a business hinges on the ability and strength of these values to instil discipline, responsibility, and a long-term vision among family members.

2.1.2 Business Sustainability

In a rapidly changing global economy, consideration for social and ecological factors is becoming increasingly crucial (Chit, 2023). Therefore, merely providing a traditional definition of business success that relies heavily on financial growth is no longer adequate. Firms that fail to integrate sustainability into their business models are likely to lose traction (Khare et al, 2023), as customers, financiers, and legislators are calling for more responsible behaviour from businesses. As a result, there has been a significant shift where businesses are now expected to create value not only for their shareholders but also for their employees, communities, customers, and the environment (Azhar, 2025).

It is clear that business sustainability is a vital component of sustainable development, defined as meeting present needs without compromising the ability of future generations to meet their own needs (Emina, 2021). This means that business sustainability should not involve pursuing economic gains at the expense of depleting natural resources, worsening social inequalities, or accelerating environmental degradation, all of which threaten long-term viability (George et al., 2023). All of this must be considered as it aligns with the United Nations Sustainable Development Goals (SDGs) and the double materiality principle established in the ESG frameworks, which require firms to account for both financial and societal impacts (Azhar, 2025). As the demand for sustainable products and environmentally conscious practices increases, businesses and organisations must develop and adopt sustainable frameworks (Khan, 2024) that offer a competitive advantage and better align with suppliers, regulators, and customers prioritising sustainability.

Sustainability within the realm of business has evolved from being merely a voluntary corporate social responsibility initiative to a crucial business process, as 68% of consumers now prefer products that are ethically sourced (Ardyan et al., 2023), and investors are prioritising firms with strong Environmental Social Governance performance (McKinsey, 2023). Although it was Kaušikaitė (2024) who first recognised this understanding, modern research has provided sufficient evidence that sustainability now dictates and determines market share, talent acquisition, and regulatory compliance, with businesses that are lagging behind now facing the threat of existential risks (Dolar et al., 2020). Sustainability in the modern era is more than just a response to external pressures; it has become a strategically important process driven by internal business practices. According to Khan et al. (2023), it was reported that businesses and firms integrating various sustainable practices report increased employee engagement, cost efficiency, and innovation. In addition, companies with stronger sustainability cultures have experienced a 55% higher employee morale and a 40% greater innovation rate, as workers increasingly seek purpose-driven employers. An evident example is the outdoor retailer named Patagonia, known for its various environmental activism, which boasts a turnover rate 50% lower than other industry averages. This demonstrates that when a company aligns corporate and personal values, it can retain talent (Urme, 2023). Additionally, it is clear that operational benefits further emphasise sustainability’s internal value. When a business adopts energy-efficient technologies and circular business models, such as recycling materials, companies reduce costs by 20–30% while future-proofing against resource scarcity (Peters & Sayin, 2022). This is evident when IKEA decided to repurpose used furniture, which slashes waste expenses by 25%. This demonstrates how sustainability can help mitigate economic risks (Mahalakshmi et al., 2023). These savings have compounded over time, contributing to competitive resilience.

Furthermore, sustainability also fuels productivity. Organisations and businesses with clear ESG commitments see a minimum of 34% higher workforce output, as their employees feel they are engaging in meaningful work (Narayanan, 2022). Over 80% of professionals now prioritise employers who also value sustainability practices, a trend of reshaping recruitment and retention (Anitha & Amala, 2025). This aligns with Ahsan's (2024) findings that when businesses integrate sustainable practices into their culture, they can unlock performance gains that transcend regulatory compliance. Sustainability today cannot be separated from strategic business success, as interconnected and interwoven. It has evolved beyond being a mere compliance measure and is now a dynamic concept. Sustainability is a strategic differentiator that drives innovation, employee engagement, and long-term profitability. Empirical evidence shows that companies integrating Environmental, Social, and Governance (ESG) principles into their core operations outperform their contemporaries and remain competitive. For example, a 2023 McKinsey & Company report notes that companies with strong ESG performance are more resilient and tend to enjoy stronger investor confidence and customer loyalty (McKinsey & Company, 2023). Consumer expectations can be said to be a catalyst for this trend. Sustainability is now viewed as a regulatory and reputational safeguard and a driver of innovation. Tesla and Ørsted exemplify how businesses can integrate sustainability into their core strategies, resulting in new market opportunities, aligning with Cezarino et al.'s (2023) framework of sustainability-driven innovation. However, critics also caution that companies must avoid the unexpected drawbacks of greenwashing, urging the adoption of uncompromising standards like the ISSB (2023) global framework to ensure authenticity and accountability.

2.1.3 Relationship Between Family Values and Business Practices.

Family values remain crucial as they help shape a family's governance, decision-making, and long-term orientation. For this reason, it has formed a kind of strategic backbone for family-owned businesses. Various reports have shown that family-owned businesses differ from non-family-owned enterprises because they prioritise legacy, ethical conduct, and stakeholder relationships over short-term financial performance (Huseyin, 2023). These family values are often passed down from generation to generation and manifest in practices such as employee-centric policies, community engagement, and long-term investment strategies.

In observing the business world today, Bosch and IKEA stand out as prominent global companies that are both family-owned and controlled enterprises. Their operations illustrate how these values translate into action. Bosch emphasises employee welfare through profit-sharing schemes and continuous upskilling, on the other, IKEA, on the other hand, has made bold commitments to sustainability and circular economy principles (IKEA Sustainability Report, 2023). All these actions align with Abaddi's (2025) argument that when familial values become integrated into the operational DNA of businesses, family values influence internal culture and external perceptions.

Furthermore, family-owned businesses tend to think about the long-term sustainability of the business and the process of handing it over to the next generation compared to non-family-owned businesses, enabling stronger governance frameworks. According to reports by the PwC Family Business Survey (2023), over 60% of family-owned businesses have independent boards and a clear succession plan, indicating that family businesses are committed to structured continuity of leadership. In addition, these family enterprises are more likely to exceed their counterparts in corporate social responsibility (CSR), as they contribute two or three times more to society and engage in various environmental initiatives (Stock et al., 2024). Nevertheless, despite their achievements, family-owned companies face particular difficulties. They frequently have a strong bond with family customs, which can impede creativity and flexibility, particularly in a contemporary world with rapidly changing digital and regulatory landscapes. According to Polas et al. (2025), risk aversion and generational differences contribute to 40% of family-owned businesses struggling with digital transformation. Furthermore, although succession planning remains crucial, only 30% of family-owned businesses make it past the second generation, according to the EY Family Business Report (2024). This underscores the underlying generational conflicts over how to preserve legacies and support digital transformation. Businesses must manage both digital transformation and family values to avoid rigidity, as family values such as trust, loyalty, and social responsibility can give them a competitive edge. Braun et al. (2023), who believe that family values and corporate innovation must be balanced to promote sustainability, especially in a dynamic world, support this assertion.

Family values, which are strong cultural assets that shape the culture and day-to-day operations of family businesses, are best embodied in loyalty, trust, and respect. According to Seyed (2022), these values are often carried over from the family to the company, promoting strong internal cohesion and a long-term focus. Five generations have operated S.C. Johnson, a well-known example of a family-owned company. According to Jones (2023), this company has a consistently low employee turnover rate of less than 5%, which they attribute to a number of family-values-driven initiatives such as profit-sharing, mentorship, and lifelong learning. Employee well-being is prioritized in a "family-first" corporate culture, as reflected in such policies. Although S.C. Johnson's success rate can be attributed to family values, other family-owned businesses do not experience the same outcome. Some family-owned businesses still face problems, such as giving preference to family members over employees for promotions or compensation, even though family values can foster strong, supportive work environments. When such circumstances occur, non-family employees might feel unfairly treated, raising ethical questions about meritocracy and fairness (Dewi, 2024).

Family businesses can be seen as rich, morally and familially based businesses that promote transparency and stewardship. Lumpkin et al. (2008) found a correlation between ethical leadership and values, indicating that family influence can have a positive impact on stakeholder trust and employee morale. An example of how ethics can be a brand asset is Patagonia, a family-owned company owned by the Chouinard family. Customers have come to trust Patagonia because of their strong environmental and social stance, which is rooted in their family values. According to the NielsenIQ (2023) report, an average of 70% of consumers take ethical considerations into account before making decisions about what to buy. This is an example of how, in a cutthroat industry, family values can continue to be a key strategic differentiator.

Furthermore, in family businesses, the commitment to upholding the family legacy may impede flexibility. Derkacz and Lundström (2024) contend that family-owned enterprises frequently put socio-emotional wealth that is, retaining authority and conserving legacy above short-term financial success in every circumstance. As family-owned businesses prioritise their long-term objectives, this strategy may promote resistance to change even though it can protect reputation. The Kodak case serves as an example of this, as the family-run company declined and went bankrupt as a result of its unwillingness to fully embrace digital transformation (Walkowitz et al, 2020).

2.2 Theoretical Review

The stewardship theory, created by Donaldson and Davis (1991), is used in this study. Its proponents contend that instead of acting for their own benefit, those in leadership roles behave as stewards who are inherently driven to act in the organization's best interests. According to this theory, especially when leading family-owned businesses, leadership should be more focused on long-term objectives than on immediate financial success. Since Stewardship Theory places a strong emphasis on continuity, trust, and long-term sustainability, family businesses should adhere to its principles. This theory is especially applicable to family businesses, where a leader must possess a strong sense of duty, loyalty, and commitment. These principles support sustainable business practices, moral leadership, and long-term decision-making. Non-financial objectives like legacy preservation and intergenerational wealth transfer are usually the top priorities of family-owned businesses; these goals support stability, employee welfare, and prudent investment practices. Additionally, according to this theory, strong family values support better governance, lessen conflicts of interest, and facilitate sound decision-making all of which contribute to the sustainability of businesses.

For this study, stewardship theory will be adopted. Since stewardship theory places a significant emphasis on trust, long-term orientation, and ethical leadership, all these attributes resonate well with family businesses' governance structures and strategic priorities. Unlike other theories, such as Social Capital Theory and SEW Theory discussed earlier, which focus on relational networks and emotional attachment, Stewardship Theory offers a more comprehensive analysis of how family values influence business decision-making, sustainability, and governance. Some attributes prioritised by stewardship theory include business continuity, ethical practices, and responsible leadership. These attributes provide a complete understanding of why family businesses display higher levels of commitment, innovation, and resilience. The shared vision and collective motivation within family-owned businesses also create a leadership structure that is more stable and ensures long-term success.

Meanwhile, no theory is without its limitations. Although stewardship Theory highlights the strengths of family businesses, it also has drawbacks that must be acknowledged, particularly regarding potential conflicts, nepotism, and resistance to external managerial involvement. It remains important to note that, despite the various limitations associated with this theory, it provides a solid foundation for exploring the role of family values in sustaining business operations across multiple generations.

2.3 Empirical Review

Empirical studies on succession planning and the sustainability of family-owned businesses in Nigeria have produced mixed but largely complementary findings. Olalekan and Bienose (2024) examined the impact of management succession planning on the continuity of family businesses in Lagos State using a survey research design involving 477 respondents selected from 8,712 registered family businesses. The study employed descriptive and inferential statistics and found that management style had no significant effect on the survival of family businesses in Lagos State. The findings suggest that managerial approach alone may be insufficient to guarantee continuity without broader succession structures and institutional support mechanisms.

In a related study, Olayemi and Gbadamosi (2024) assessed the relationship between their readiness and the sustainability of family businesses in Lagos State, Nigeria. Using a deductive quantitative approach and survey data from 388 family-owned businesses analysed with SPSS version 25, the study found that collaboration involving the heir apparent, educational attainment, prior experience, and quality mentorship positively influenced business sustainability. The study concluded that the preparedness of successors is a critical determinant of the long-term survival of family businesses.

Similarly, Dekom et al. (2024) examined the effect of succession planning on the sustainability of family-owned businesses in Plateau State, Nigeria. Using structured questionnaires administered to 293 family-owned businesses and analysed through multiple regression, the study found that involving the next generation in business operations, preparing successors for leadership responsibilities, and preserving organisational culture significantly enhanced business sustainability. However, internal recruitment practices and successor role performance were found to have no significant effect on sustainability. The study further provided empirical support for generational theory and socio-emotional wealth theory by demonstrating that family-owned businesses prioritise continuity, legacy preservation, family cohesion, and reputation alongside profitability.

Furthermore, Ifeoma et al. (2024) focused on succession planning strategies and the sustainability of family-owned businesses in Southeast Nigeria. Adopting a descriptive survey design, the study utilised responses from 388 employees of 45 family-owned businesses. Findings from simple regression analysis indicated that mentoring succession strategies significantly influenced the continuity of family-owned businesses, while external coaching strategies positively affected business survival. The study reinforced the importance of structured mentoring and coaching frameworks in sustaining family-owned enterprises across generations.

Earlier, Olubiyi et al. (2022) investigated succession planning techniques and the sustainability of family-owned enterprises in Southeast Nigeria using a descriptive survey design. Data were collected from 388 respondents drawn from 45 family-owned businesses and analysed using mean scores, standard deviation, and regression analysis. The study revealed that mentoring and external coaching succession strategies significantly enhanced the survival and continuity of family-owned businesses. The authors concluded that family-owned businesses should adopt strategic succession mechanisms such as executive coaching, mentoring, talent retention, and external consultancy to ensure long-term sustainability.

Collectively, the reviewed studies demonstrate that succession planning remains a critical determinant of the sustainability and continuity of family-owned businesses in Nigeria. The empirical evidence consistently highlights the significance of mentoring, coaching, successor preparedness, generational involvement, and organisational culture in ensuring business continuity. However, the studies also reveal that certain factors, such as management style and internal recruitment practices, may not independently guarantee sustainability. This suggests that effective succession planning in family businesses requires a holistic approach that integrates leadership preparation, experiential learning, family values, and institutional continuity mechanisms.

2.4 Summary and Critique of Literature

The literature consistently underscores the critical role of succession planning and family values in sustaining family-owned businesses across Nigeria. Empirical evidence highlights multiple determinants of continuity: Olayemi and Gbadamosi (2024) emphasise heir apparent readiness, identifying education, experience, and mentorship as key drivers of business longevity, though they largely overlook broader cultural and structural family factors. Similarly, Ifeoma et al. (2024) and Olubiyi et al. (2022) demonstrate the strategic importance of mentoring and external coaching, highlighting the benefits of formal and informal guidance mechanisms, albeit with limited causal inference due to reliance on descriptive statistics. Dekom et al. (2024), grounded in generational and socio-emotional wealth theories, provide robust evidence through multiple regression that next-generation involvement and organisational culture significantly enhance sustainability, adding a theoretical dimension while omitting operational considerations. In contrast, Olalekan and Bienose (2021) find that management style has minimal impact on business continuity, suggesting that intangible factors such as interpersonal dynamics and family values may be more influential. Collectively, these studies indicate that while succession planning is essential, existing research is fragmented - focusing on either individual readiness, organisational culture, or strategic planning techniques highlighting the need for integrative models that simultaneously consider family values, mentoring structures, and strategic succession planning to ensure long-term business sustainability.

3.0 Methodology

In order to look into how family values affect the viability of family-owned businesses in Lagos, Nigeria, this study used a quantitative research design. Lagos State was specifically chosen as the study site because of the large number of prosperous family-run businesses there. The Lagos State Ministry of Commerce, Industry, and Cooperatives (2023) and the National Bureau of Statistics (NBS, 2023) have reported that there are an estimated 2,380,000 family-owned businesses in the state, which makes it the perfect setting for the current study.

In line with the goals of a quantitative approach, a survey research design was used as the main technique for gathering data. The primary tool used in the study to collect data was a structured questionnaire. In order to ensure greater reach and convenience in data collection, these questionnaires were distributed digitally via a Google Forms link to the employees of particular companies via WhatsApp platforms. To acquire a representative sample of the target population, the study used basic random sampling techniques. In order to remove bias and guarantee that each family business in the sampling frame had an equal chance of being selected, this method was chosen. The right sample size from the population of interest was calculated using the Taro Yamane formula. This formula was used to determine that a sample size of 385 respondents was statistically sufficient to meet the goals of the study.

The researchers were actively involved in overseeing the administration of the questionnaire, a strategy that enhanced data accuracy, ensured high response rates, and provided immediate clarification for respondents where necessary. The data gathered were subjected to inferential statistical analyses (ordinal logistic regression), allowing for a comprehensive exploration of trends, relationships, and patterns in the data.

The model was specified in its cumulative logit form, expressed as:

$$\log\,[P(Y \leq j)/P(Y > j)] = \alpha j - \beta 1FV1 - \beta 2FV2 \ldots - \beta kFVk$$

where Y denotes the ordered levels of business sustainability, jjj represents the threshold points, and FV1…FVk capture the family-value predictors. Prior to the regression analysis, the accuracy, reliability, and validity of the data were ensured through a series of preliminary tests, including Cronbach's alpha for internal consistency, content and construct validity assessments, and checks for missing or inconsistent responses.

The decision rule guiding hypothesis testing was based on a 5% significance level ($p \leq 0.05$), whereby any predictor variable with a p-value below this threshold was considered to exert a statistically significant influence on business sustainability. Furthermore, post-estimation diagnostic tests such as the test of parallel lines to confirm the proportional odds assumption, goodness-of-fit indices, and examination of pseudo-R^2 values were conducted to verify model adequacy, ensure lack of specification errors, and confirm the robustness of the regression results.

4.0 Results an Discussions

The data collected were analysed using ordinal logistic regression analysis to test the relationship between family values and business sustainability.

Table 1

Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Intercept Only	280.684			
Final	68.764	211.920	4	.000

Link function: Logit.

Source: SPSS OUTPUT 26 (2025).

Table 1 presents the Model Fitting Information for a logistic regression analysis. The "Intercept Only" model, which serves as the baseline, has a -2 Log Likelihood value of 280.684, indicating the model with no predictors. The "Final" model, which includes the independent variables, has a considerably lower -2 Log Likelihood value of 68.764. The Chi-Square value of 211.920 with 4 degrees of freedom (df) and a significance level (p-value) of .000 indicates that the final model provides a significantly better fit to the data than the intercept-only model.

This indicates that the independent variables included in the model significantly enhance the prediction of the outcome variable. Using the logit link function confirms that this is a logistic regression model.

Table 2
Goodness-of-Fit

	Chi-Square	Df	Sig.
Pearson	25.886	12	.071
Devianc e	37.541	12	.000

Link function: Logit.

Source: SPSS OUTPUT 26 (2025).

The mixed results are an acceptable fit based on Pearson, but a poor fit based on deviance, suggesting that the model may fit some parts of the data well while failing to do so for others. This may indicate issues such as outliers, model misspecification, or violation of assumptions (e.g., proportional odds).

Table 3

Pseudo R-Square

Cox and Snell	.411
Nagelkerke	.482
McFadden	.277

Link function: Logit.

Source: SPSS OUTPUT 26 (2025).

The Pseudo R-Square values indicate the explanatory power of the logistic regression model, although they do not carry the same interpretation as R-square in linear regression. Overall, these values suggest that the model possesses moderate explanatory power, meaning that the independent variables (Family value) included in the model significantly contribute to explaining the likelihood of the outcome occurring.

Table 4

Test of Parallel Lines[a]

Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Null Hypothesis	68.764			
General	34.958[b]	33.807[c]	12	.001

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.
Source: SPSS OUTPUT 26 (2025).

The Test of Parallel Lines assesses whether the assumption of proportional odds (parallel slopes) holds in an ordinal logistic regression model. The null hypothesis states that the location parameters (slope coefficients) are the same across all response categories, meaning the relationship between each pair of outcome groups is consistent. Since the p-value is less than 0.05, we reject the null hypothesis that family value has no significant value on business sustainability of family-owned businesses in Lagos State.

Discussion of Findings

The results of the ordinal logistic regression analysis reveal that the final model significantly improves the prediction of family business sustainability over the intercept-only model, as indicated by the substantial reduction in the -2 Log Likelihood value (from 280.684 to 68.764) and a highly significant Chi-square statistic ($\chi^2 = 211.920$, df = 4, $p < .001$). This suggests that the independent variables, particularly *family value*, have a statistically significant influence on the sustainability of family-owned businesses in Lagos State.

These findings align with those of Olayemi and Gbadamosi (2024), who discovered that the sustainability of family businesses in Lagos State is significantly influenced by factors such as the education, experience, and mentorship of the heir apparent. The current study reinforces their conclusion by demonstrating that family values—an inherent part of mentorship and experience transfer - are crucial to business survival. Similarly, Olubiyi et al. (2022) and Ifeoma et al. (2024) emphasised the importance of mentoring and coaching as succession strategies, which is consistent with the evidence presented by the current study that the internal family environment and value system enhance continuity. Furthermore, Dekom et al. (2024) highlighted the predictive power of preparing successors and involving them in business operations. This supports the notion that embedding family values plays a vital role in fostering successor readiness. This study's rejection of the null hypothesis in the Test of Parallel Lines further backs Dekom et al.'s perspective that not all succession strategies or family dynamics produce uniform effects across business outcomes - thus confirming the necessity for tailored approaches in succession planning.

The results reinforce a growing body of literature that underscores the significance of internal family dynamics, particularly family values, mentorship, and heir preparedness, as essential drivers of family business sustainability in Nigeria. These findings provide empirical support for succession planning practices that emphasise emotional, educational, and cultural investments in future family firm leaders.

5.0 Conclusion and Recommendations

This study examined the influence of family values on the sustainability of family-owned businesses in Lagos State, Nigeria. Using ordinal logistic regression, the analysis revealed that family values significantly affect the longevity and continuity of these enterprises. The findings supported the notion that intergenerational trust, common objectives, mentoring culture, and emotional commitment all essential elements of family values play a significant role in maintaining family businesses over time. Notwithstanding certain model drawbacks (like the proportional odds assumption being broken), the model's statistical significance and explanatory power support the crucial role that family values play in determining long-term results. Additionally, the study supports previous research by highlighting the critical roles that cultural continuity, family cohesion, and efficient succession planning play in the sustainability of businesses. These results add to the increasing amount of information highlighting the necessity for family-owned enterprises to prioritise fostering values that uphold their legacy and operational stability in addition to profit-driven objectives.

In order to improve sustainability, it is recommended that family-owned companies in Lagos State should incorporate fundamental family values like loyalty, trust, and unity into their leadership and operational frameworks. Structured succession planning should be a top priority for business owners, who should also mentor and prepare younger family members through education and practical experience. Creating governance structures that uphold accountability and represent family values will further ensure continuity. Long-term viability also requires striking a balance between strategic business decisions and emotional attachment. Additionally, training and policy support that encourage succession planning and value-driven leadership in family-owned businesses are encouraged from government agencies and entrepreneurial support organisations.

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