THE IMPACT OF SUSTAINABILITY ON THE PERFORMANCE OF FAMILY-OWNED BUSINESSES IN NIGERIA

Hameed Omotola OJODU*
Lagos State University of Sciences and Technology, Nigeria
Email: ojodu.ho@lasustech.edu.ng
https://orcid.org/0009-0006-1962-9804

Victor Ajibayo ADEYEYE
Lagos State University of Sciences and Technology, Nigeria
Email: adeyeye.va@lasustech.edu.ng
https://orcid.org/0009-0003-6685-3946

Igbalawole Ayobami OLOMIYETE
Lagos State University of Sciences and Technology, Nigeria
Email: olomiyete.ia@lasustech.edu.ng
https://orcid.org/0009-0009-1715-8721

Sherifat Olayinka FOWOSERE
Lagos State University of Sciences and Technology, Nigeria
Email: fowosere.so@lasustech.edu.ng
https://orcid.org/0009-0005-6794-0018

Aremu Musibau ADEGBITE
Lagos State University of Sciences and Technology, Nigeria
Email: musibauaremuadegbite@gmail.com

***Corresponding Author**

ABSTRACT

The paper examines the impact of sustainability on the performance of family-owned businesses (FOBPs) in Nigeria, and it evaluates the influence of economic and environmental responsibility on FOBPs. The study employs a survey research design and a study population of 11,643 small-scale businesses operating in Lagos State, Nigeria. Multi-stage sampling was adopted for the study; the sample size was determined using Raosoft's sample size, and 387 samples were selected. The study adopts a regression statistical technique analysis to test hypotheses using SPSS. The findings revealed that economic responsibility has a significant influence on family-owned business performance; (ECOR) (0.6351) is positive and significant at 5%, showing that ECOR has a positive and significant impact on FOBP and environmental responsibility; (ENVR) (0.6296) is positive and significant at 5%, showing that ENVR have positive significant relationship on FOBP. The combine effect has similar results. Hence, the study revealed that FOB operators need to be more concerned about improving its economic and environmental responsibilities to fulfill its obligations.

Keywords: Sustainability, Economic responsibility, Environmental responsibility and Family-owned business performance

1. INTRODUCTION

Businesses aim to achieve their mission and vision, focusing on sustainable actions that enable efficient resource utilisation, which in turn determines performance. Sustainability drives operational mechanisms, and the complexity extends beyond transformation processes, influencing societal cultures, environmental structures, and practices that evolve towards sustainable alternatives (Foroozanfar et al., 2025). Sustainability is a global concept that integrates society, environment, and economy to benefit both current and future generations (Ranjbari et al., 2021). It requires firms to commit to sustainable development and develop effective plans actively (Aparicio & Ituraea, 2023). Sustainability, as one of the Millennium Goals, is a corporate ethics component in response to public concerns about long-term damage caused by short-term profits (Mollenkamp, 2023).

Adesua-Lincoln (2025) emphasises sustainability as a balance between societal, environmental, and economic interests, requiring practical knowledge (Greenland et al., 2022), and long-term targets. It encompasses technologies, institutions, social, and economic sub-systems that require fundamental transformation processes to shift to sustainable production and consumption (Khmara & Kronenberg, 2020). Sustainability success requires international collaboration among stakeholders (Adesua-Lincoln, 2025), promoting long-term interests and facilitating access to products (Curtis & Mont, 2020; Kraus et al., 2020). It is essential for resolving global economic, environmental, and social challenges (Foroozanfar et al., 2025), like climate change, environmental degradation, conflict, poverty, and inequality (Greenland et al., 2022). Ardyan et al. (2023) posit that promoting sustainability is integral to all facets of life and businesses, including family-owned businesses (FOB), aiming to preserve long-term goals for success, growth, and improved performance.

Malley (2020) suggests that sustainable initiatives require strategic business plans to improve cost efficiency, credibility, trust, brand reputation, market standard, and transparency. Ghodasara (2021) suggests that sustainability offers a competitive advantage, increased productivity, regulatory compliance, tax benefits, and innovation. However, many organisations face criticism for cost-cutting measures, making sustainability evaluation difficult (Mollenkamp, 2023). Sustainability needs for businesses have increased (Akhmetshina at al., 2021), due to increased stakeholder awareness. However, achieving sustainability goals is challenging to FOBs due to current investment rates (Co et al., 2024). Businesses must align their strategies (Elsawy & Youssef, 2023), with sustainability principles (Lozano & Martínez-Ferrero, 2022) and to create a positive reputation, build stronger relationships, and ensure long-term continuity (Zhu et al., 2025).

FOBs in emerging markets promote long-term responsible strategies, aligning family members' goals with business commitments (Zhu et al., 2025). This aligns with ethical responsibilities, governance, transparency, and management efficiency initiatives (Co et al., 2024), while sustainability may hinder financial goals; it can align with future generations' needs. The long-term health of FOBs depends on their ability to anticipate and respond to changes in the economic landscape, politics, leadership, and ownership management (Ethelmary & Obioma, 2020). Ardyan et al. (2023) suggest that FOBs have personal ideals and values that influence family members' commitments, discipline, and performance. These businesses foster macroeconomic growth

(Lukito et al., 2025; Le Breton-Miller & Miller, 2022), especially in developing countries. However, only 3% of FOBs survive in developing countries (D'Souza et al., 2022; Zhu et al., 2025; Lukito et al., 2025), due to inadequate sustainable plans (Dhaigude et al., 2023).

FOBs have significantly contributed to the economy in many countries (Miroshnychenko et al., 2022; Ratten, 2023; King et al., 2022 & De Massis, 2022; Jamil et al., 2023; Lyons et al., 2023), but they are under-researched in developing countries. Despite their substantial contribution (Co *et al.*, 2024), they face increasing pressure to adopt sustainability practices (Traxler & Greiling 2023). Research on FOB performance is limited in developing economies, with a primary focus on sectors such as banking, manufacturing, and state-owned enterprises (Hasan, 2023; Zulkifli et al., 2023). Elsawy and Youssef's (2023) study revealed that economic sustainability is a key business challenge, with proactive strategies (Zhu et al., 2025) that enhance family control and financial outcomes. Factors influencing the implementation of sustainability include the environment, future orientation, business improvement, family relations, employees, customers, values, mindset, and community development (Co et al., 2024). FOBs perform better in the environmental and social dimensions (Schroder & Thomsen, 2025). Sustainability dimensions in family businesses significantly enhance organisational performance (Ethelmary & Obioma, 2020).

This paper quantitatively examines the effect of sustainability on FOB performance in Nigeria, using economic and environmental responsibility metrics. The objectives include evaluating the influence of economic responsibility and determining the relationship between environmental responsibility and FOB performance.

2. LITERATURE REVIEW

2.1 Conceptual Review

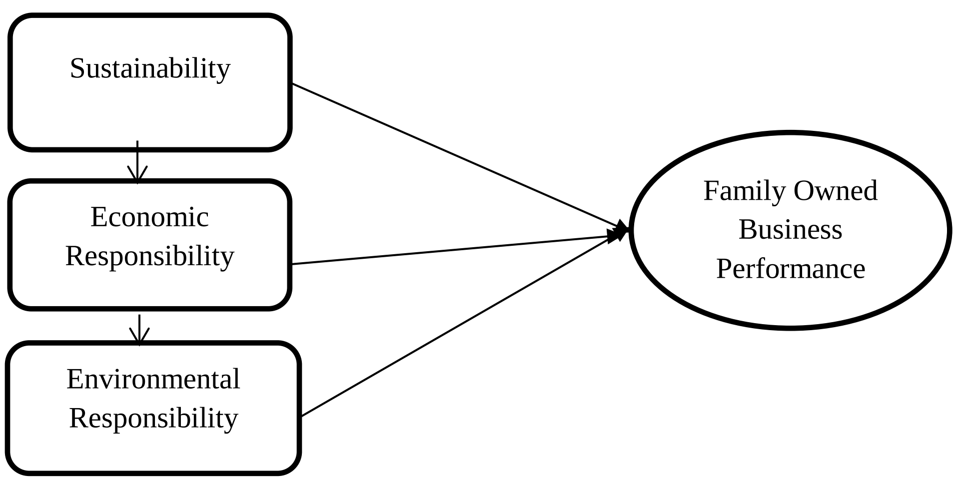
Sustainability, first defined in 1987 by the World Conference on Environment and Development, as a global concept focusing on profit, people, and the planet (Adesua-Lincoln, 2025; Olga, 2022). Diaz-Iglesias et al. (2021) posit that it aims to improve ecological damage, achieve social justice, and foster economic and social progress. Sustainability involves integrating people, planet, and development to achieve society goals, rather than focusing on short-term interests (Zamani, 2025).

Mollenkamp (2023) and Co et al. (2024) emphasise that sustainability goes beyond environmentalism, focusing on long-term business practices that maintain and improve the environment and society (Ethelmary & Obioma, 2020; Feng et al., 2022). Sustainability involves developing activities to reduce negative effects on society and fostering better stakeholder interactions Gandía et al., 2025. It provides a pathway to a more sustainable future, enabling businesses to maintain desirable materials and conditions over time (Jamil *et al.*, 2025; Das & Bocken, 2024). Sustainability is the triple bottom line, encompassing economic, social, and environmental performance (Tiberius, Stiller & Dabic, 2021). Businesses, including FOBs face constant risks, external shocks and internal issues (Jamil *et al.*, 2025), and challenges such as limited capacity, focus on operations, management style, lack of qualified personnel, financial pressures, and inadequate information, which hinder their ability to achieve sustainability goals (Astner, 2020).

Sustainability is a long-term strategy aimed at achieving sustainable goals in various dimensions, focusing on social well-being and economic growth (Ghimire, 2023). It involves identifying and securing necessary resources and capabilities for businesses, especially in FOBs, which may limit potential for development, innovation, and sustainability (Toska et al., 2022; Stephens, 2023), The survival rate of FOBs is low, with only 50% not surviving for more than five years globally (Waqar et al., 2020; Ferreira et et al., 2021). To survive and prosper, FOBs (King et al., 2022), need to display economic responsibility, actively restructure, and tackle challenges like environmental degradation and resource depletion (Al-Zoubi, 2024). Effective succession and leadership are crucial for the next generation (Somboonvechakarn et al., 2022). Sustainability is crucial for FOBs survival and growth, as it provides a competitive advantage and long-term benefits for stakeholders (Ardyan et al., 2023). Moreover, measuring sustainable performance involves evaluating activities in environmental, economic, and social aspects, considering internal and external factors (Ardyan et al., 2023). Sustainability is defined as the capacity to enhance resources or conditions over time by this study.

2.2. Hypotheses Formulation

This research investigates sustainability's effect on Nigerian FOB performance, considering both economic and non-economic factors. In FOBs noneconomic purposes are important antecedents, it is important to consider both economic and non-economic variables in performance measurements (Alves & Gama, 2020). Sustainability is measured by economic and environmental responsibility, highlighting the importance of considering both.



Analytical Framework Model of Sustainability

Economic responsibility involves sustainable growth, development, profitability, wealth creation, effective governance, and risk management (Adesua-Lincoln, 2025). It focuses on using resources to meet present needs without compromising future generations and conserving natural capital for economic production (Elsawy & Youssef, 2023; Hina et al., 2023; Mollenkamp, 2023). Economic responsibility is a crucial aspect of sustainability strategies, aiming to balance economic development, environmental protection, and social equity, as it encourages economic growth while preserving and enhancing natural resources for future generations (Elsawy & Youssef, 2023).. Understanding the finite nature of the planet's resources is crucial for protecting future generations. Ghimire (2023) suggests that economic responsibility influences family-owned business performance.

Hypothesis (HO_1): Economic responsibility does not influence family-owned business performance.

Environment Responsibility

Environmental responsibility emphasises life support systems like atmosphere and soil, in which FOBs can innovatively invest and address environmental challenges (Mollenkamp, 2023). They integrate sustainability initiatives with core values to safeguard their emotional legacy and enhance their family's image (Zhu et al., 2025). Environmental responsibility measures how businesses reduce or increase their environmental impact (Melo-Monterrey et al., 2025). Businesses prioritise environmental responsibility by reducing waste and focusing on long-term benefits (Yang et al., 2022). This includes reducing emissions, lowering energy usage, sourcing fair-trade products, and ensuring physical waste disposal Mollenkamp, 2023). Environmental responsibility promotes a restorative approach, eliminating waste, reducing finite resource consumption, and promoting the secondary material sector (Adesua-Lincoln, 2025). This approach aims to create diverse and inclusive societies and protect the ecosystem. Family-owned businesses also play a role in environmental responsibility. Based on this research, the second hypothesis states that environmental responsibility has a relationship with family-owned business performance.

Hypothesis (HO_2): Environmental responsibility has no relationship with family-owned business performance.

Sustainability and Family-owned Business Performance

Sustainability is influenced by organisational structure, leadership, decision-making processes, motivation, conflict management, and succession planning (Ethelmary & Obioma, 2020). Environmental, economic, and social issues may influence sustainability, and resistance may arise from incumbent generations (Co et al., 2024). However, a recent meta-analysis by Miroshnychenko et al. (2022) suggests potential negative environmental performance.in FOBs Sustainability is crucial for owners' reputation (Pramono et al., 023), as they place family members in vital positions to monitor business activities. Yang et al. (2025) posit that integrating sustainability practices and achieving long-term performance is a challenge for enterprises (Yang et al., 2025). FOB is a business with multiple conditions, ownership-management, generational transfer, in which family involvement is influenced by corporate entrepreneurship education, transformation ability, and governance structures (Ardyan et al., 2023).

According to Le Breton-Miller and Miller (2022), FOB are more likely to survive in the long term, mainly because of their orientation towards intergenerational business continuity. However, only 3% of FOBs can survive in the long term in developing countries due to weak governance, lack of accountability, and inefficient human resource management (Lukito et al., 2025). FOBs may demonstrate strong sustainability dynamic capabilities as they stand out among other firms insofar as they strive not only for economic prosperity but also for non-economic values and achievements (Tiberius *et al.,* 2021). Sustainability evaluates business performance based on environmental, societal, and economic indicators (Xu et al., 2024; Werf, 2024). Concerns about the environmental and economic sustainability have led to a search for organisational forms that are more receptive to sustainability considerations (Edmans, 2020; Henderson, 2021; Mayer, 2021; Polman & Winston, 2021). Based on this research, the second hypothesis posits that environmental responsibility is related to the performance of family-owned businesses.

Hypothesis (HO_3): Sustainability do not influence family-owned business performance.

2.3 Theoretical Review

Stewardship theory traces back to early 20th-century research, particularly in response to the prevailing agency theory in corporate governance. Scholars such as James March and Herbert Simon were among the first to explore managerial discretion and its impact on organisational outcomes. Stewardship theory has since evolved to emphasise responsible management and oversight, advocating that leaders act as caretakers of resources entrusted to them. Donaldson and Davis (1991) and Kolawole et al. (2025) argue that executives, when empowered with autonomy and trust, will align their actions with organisational goals, promoting ethical behaviour. The term stewardship means a duty to care for resources as a divine responsibility, and Kolawole et al. (2025) define a steward as an individual who does not own what they manage but carries out their duties selflessly, knowing they will be held accountable.

Stewardship theory is a framework that assumes managers, executives, and corporate leaders act in the best interests of an organisation rather than pursuing personal gain. Introduced as an alternative to agency theory, which assumes that managers act opportunistically unless controlled, stewardship theory suggests that managers are intrinsically motivated by organisational success, trust, and commitment to shared goals (Kolawole et al., 2025)**,** unlike agency theory, which prioritises control mechanisms to prevent self-serving behaviors, stewardship theory emphasises relational aspects such as trust, empowerment, and leadership responsibility.

Stewardship theory is founded on key assumptions that distinguish it from traditional agency theory. One of its core principles is intrinsic motivation, which suggests that managers derive fulfilment from achieving organisational success rather than pursuing financial incentives or personal enrichment (Donaldson & Davis, 1991; Kim & Kim, 2023). Unlike agency theory, which emphasises strict control mechanisms, stewardship theory advocates for trust-based relationships, where organisations cultivate commitment and accountability through trust rather than excessive oversight (Yukl & Gardner, 2023). Furthermore, the theory promotes a collectivist orientation, where leaders prioritise long-term organisational well-being and stakeholder interests over individual gains (Chrisman et al., 2021). A significant aspect of stewardship theory is its long-term focus, encouraging decision-makers to prioritise sustainability and stability over short-term financial performance (García-Sánchez et al., 2021). Since managers are assumed to be naturally aligned with corporate goals, the need for intensive monitoring and regulatory mechanisms is reduced, leading to lower monitoring costs and increased operational efficiency (Freeman et al., 2020). Moreover, stewardship theory supports participatory leadership, emphasising decentralised decision-making that fosters collaboration between stakeholders to achieve shared objectives (Freeman et al., 2020).

Stewardship theory has gained increasing relevance in modern corporate governance, ethical leadership, and sustainability-focused management (Kolawole et al., 2025), and organisations that adopt stewardship principles benefit from enhanced stakeholder trust, reduced governance costs, and long-term value creation, which fosters ethical leadership and sustainable decision-making, minimising conflicts between shareholders and executives. Stewardship theory advocates a stakeholder-centric approach, incorporating employees, communities, and environmental concerns into decision-making (Kolawole et al., 2025). By prioritising long-term goals over short-term profits, stewardship-based organisations contribute to business stability and resilience, offering a viable framework for addressing contemporary sustainability challenges.

Stewardship theory manifests itself in various organisational contexts, including FOBs, promoting sustainability, and long-term value creation across sectors. The theory supports aligning financial success with social and environmental goals. Firms have successfully integrated stewardship principles into their business models, ensuring that corporate strategies prioritise stakeholder interests alongside profitability (Kolawole et al., 2025). Similarly, institutional investors, including pension funds and socially responsible investment firms, incorporate stewardship principles into financial decision-making to ensure ethical and sustainable investment practices making (Kolawole et al., 2025), achieving long-term sustainability. This paper contributes to the academic knowledge by underpinning sustainability and Family-owned business performance with stewardship theory, which suggests that FOBs should identify and leverage their unique resources, and activities toward stakeholders needs to achieve competitive advantage and improved performance.

2.4 Empirical Review

Adesua-Lincoln. (2025) explores sustainability and circular economic practices of small and medium-sized enterprises (SMEs) in Nigeria. The paper investigates the experiences and challenges faced by SMEs as they seek to navigate the implementation of circular and sustainable practices. Drawing on an integrated theoretical framework, the study combines the sustainability, entrepreneurship and strategic orientation literature to evaluate the interrelationship between these concepts. Through the use of questionnaire surveys conducted with entrepreneurs in Lagos, Nigeria, the research helps fill the gap in the literature on circular economy practices of SMEs. It makes recommendations to policymakers for the effective development of policy initiatives that promote a responsive approach to the SME sector. It also proposes several strategies and policy initiatives to help SMEs develop the requisite skills and knowledge to implement environmental sustainability and circularity practices confidently.

Al-Zoubi (2024) conducted a comprehensive review of the environmental economics literature by employing a bibliometric approach to gather 6,118 articles published between 1993 and 2023 from Scopus-indexed journals. Utilising a suite of software tools, including RStudio, VOSviewer, and

Excel, we conducted a thorough examination of the data to identify the leading contributors in the realm of Environmental Economics, categorised by nation, institution, source, document, and author. This study unveiled a significant upward trend in publications, particularly since 2017.

This underscores the expanding applications of environmental economics across a multitude of domains, encompassing sustainability, environmental footprints, carbon emissions, climate impact, navigating environmental governance, policies for sustainable futures, economic approaches, and environmental sustainability. Interestingly, China, the United States, and the United Kingdom emerged as the predominant contributors to the subject's literature. These findings offer valuable insights for stakeholders, particularly in illustrating how environmental economics could influence their decision-making processes.

Haubler and Ulrich (2024) explore strategic corporate sustainability management in family businesses. Drawing inferences from the escalating demands from legislative authorities and companies' stakeholders to adopt corporate sustainability measures. The study conducted a systematic literature review covering the period from 2006 to 2022, on the topic of strategic sustainability management in family businesses, covering an analysis of 98 relevant studies. The results yield three clusters of strategies for corporate sustainability in family businesses: (1) family values and succession planning, stakeholder relations, and communication; (2) risk taking, inventions, and technologies; and (3) entrepreneurship and intrapreneurship. In addition, they systematically present a range of descriptive indicators, including the research methodologies applied and the geographic focus of the published literature. The research contributes significant insights for scholars and practitioners alike, providing valuable guidance in this field.

Elsawy and Youssef (2023) examine the concept of economic sustainability in the business context, specifically focusing on how businesses can meet their present needs without compromising future generations' ability to meet their own needs. The study examines the definitions of economic sustainability, its historical evolution, its implementation in business practice, the associated challenges, and its implications for future generations. The findings indicate that while economic sustainability is increasingly recognised as crucial in business, challenges related to short-termism and lack of awareness persist. The paper concludes by identifying gaps in the current literature and suggesting potential directions for future research. This review contributes to a deeper understanding of economic sustainability and its role in ensuring long-term business success and intergenerational equity.

3. METHODOLOGICAL PROCEDURE AND ANALYSIS

3.1 Research Design

The paper adopted a descriptive survey research design in which copies of the questionnaire were distributed to collect data from respondents. The target population comprised registered small-scale businesses operating in Lagos State, from which FOBs were identified. FOBs were difficult to identify due to the problem of unorganised association of family-owned business in Nigeria and the lack of access to information from the database (Adedayo & Ojo, 2015; Adegbite, 2018). Lagos state was selected because it is the commercial hub of Nigeria where 60% to 70% of businesses and industrial transactions takes place (Adegbite, 2018; Ogbechie & Anetor, 2015), and also has 11,643 SMEs operating in the state (Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), 2019). The population comprised the founders/ Chief Executive Officers (CEOs) of the FOBs of different age brackets, across different industries such as manufacturing, commercial, construction, and service.

Multi-stage sampling technique was adopted. Purposive sampling was adopted for selecting Mushin Local Government, Lagos Mainland Local Government, Lagos Island Local Government, Kosofe Local Government, Agege Local Government, Oshodi-Isolo Local Government, Ojo Local Government, and Ikeja Local Government in Lagos State, because these eight local government areas are hubs of economic activities (Adegbite, 2018). Copies of the questionnaire were distributed to the respondents using a simple random sample. Raosoft's sample size determination method, based on a normal distribution at a 95% confidence level and a 5% margin, was adopted to select 373 respondents from different sexes, age brackets, and industries.

Model Specification

The mathematical equation below, therefore, shows the effect of the independent variable (Sustainability) on the dependent variable (FOB Performance) in a linear form.
SUST = f (Envr, Ecor).. (1)
Where SUST = Sustainability
FOBP = Family-Owned Business Performance
Envr = Environmental Responsibility
Ecor = Economic Responsibility
FOBP = Family-owned business performance
FOBP = f (SUST)……………………………………………………………………..(2)
FOBP = f (Envr, Ecor)...(3)

This can be specifically expressed as:
FOBP = $\alpha_1 + \alpha_2$ Envr $+ \alpha_3$Ecor + μt………………………………………………….. (4)
Where μ= stochastic or random error term (with usual properties of zero mean and non-serial correlation).
$\alpha_1 - \alpha_3 =$ Co-efficient of associated variables.
$\alpha_0 =$ constant Intercept.

4. DATA ANALYSES

The paper adopted inferential statistics to establish a relationship between sustainability and FOB performance. A multiple regression model was developed for the paper to test hypotheses using SPSS software packages for the results. Descriptive statistics were adopted to analyse research questions and demographic data.

4. 1 Presentation and Discussion of Findings

Table 1 presents the responses relating to economic responsibility as given by respondents.

Table 1: Economic Responsibility

S/N		SA	A	U	D	SD
1.	The business complies with investment policy that improves its operations.	86(29.7%)	86(29.7%)	56(19.4%)	44(16%)	19(5.2%)
2.	The company avoid investment that will hinder profit target	100(34.4%)	86(29.5%)	50(17.1%)	46(15.8%)	9(3.4%)
3.	The business does not compromise health and safety for cost-savings	79(27.1%)	69(23.8%)	35(12%)	73(25.1%)	35(12%)
4.	The business does not engage in profiteering..	68(23.3%)	137(47%)	24(8.3%)	38(13.2)	24(8.3%)
5.	The business considers investment in new production equipment that will add value to its operations.	82(28.2%)	146(50.1%)	13(4.4%)	24(8.3%)	27(9.1%)

Source: Field Survey (2025)

Table 1 reveals that 29.7% of the respondents strongly agreed that the business complies with investment policy that improves its operations, while about 29.7% also agreed to it. Similarly, 34.4% strongly agreed that the business avoid investment that will hinder profit targets; 29.5% agreed to this while 15.8% disagreed to this. Also, 27.1% strongly agreed that the business does not compromise health and safety for cost-savings, while 25.1% disagreed to this. It was also discovered that 23.3% strongly agreed that the business does not engage in profiteering, 47% also agreed to this, while 8.3%; 13.2% and 8.3% were undecided, disagreed and strongly disagreed respectively. It was also found that 50.1% strongly agreed and 28.2% agreed that men the business considers investment in new production equipment that will add value to its operations, while 9.1% strongly disagreed to this. This suggests that the respondents uphold that commitment to economic responsibility is vital to management of FOBs.

Analysis of Questions Relating to Environmental Responsibility

Table 2: Environmental Responsibility

S/N		SA	A	U	D	SD
1.	Voluntary protection of my business environmental footprint is paramount, and access to valuable information is open.	82(28.2%)	164(56.3%)	7(2.3%)	21(7.2%)	17(5.9%)
2.	The business drive for clean-up initiative is part of its objectives.	104(35.7%)	111(38%)	26(8.8%)	23(8%)	27(9.6%)

3.	The business is concerned with improving the environment.	82(28.2%)	146(50.1%)	13(4.4%)	24(8.3%)	27(9.1%)
4.	The creation of a senior management position for environmental management is a safety and maintenance functions in the business	103(35.4%)	118(40.6%)	22(7.5%)	26(8.8%)	22(7.8%)
5.	Implementing government policies concerning pollution is important to the business.	38(13.2)	24(8.3%)	24(8.3%)	137(47%	68(23.3%

Source: Field Survey (2025)

Table 2 in terms of environmental responsibility revealed that 28.2% strongly agreed that voluntary protection of their company's environmental footprint is paramount, and access to valuable information is open. 56.3% also agreed to this. Similarly, 35.7%, 38%, 8%, and 9.6% strongly agreed, agreed, disagreed and strongly agreed that the business drive for clean-up initiative is part of its objectives, respectively. It was also found that 28.2% strongly agreed and 50.1% agreed that the business is concerned with improving the environment, while 9.1% strongly disagreed to this. 35.4% also strongly agreed that the creation of a senior management position for environmental management is a safety and maintenance functions in the business; 40.6% also agreed to this while 8.8% disagreed and 7.8% strongly disagreed to it. It was also discovered that 13.2% strongly agreed that implementing government policies concerning pollution is important to the business, 8.3% also agreed and were undecided respectively to this, while 47% disagreed and 28.3% strongly disagreed to this. This implies that environmental responsibility is important as sustainability element in management of FOBs.

Analysis of Questions Relating to Family-Owned Business Performance

Table 3: Family-Owned Business Performance

S/N		SA	A	U	D	SD
1.	The business return on investment has increased over time	86(29.5%)	88(30.2%)	8(2.6%)	79(27.1%)	3(10.6%)
2.	The business customer has continuously increase which has increase the market share	118(40.6%)	106(36.4%)	23(8%)	18(6.2%)	26(8.8%)
3.	The business has grown in size and operation over time	86(29.7%)	86(29.7%)	56(19.4%)	44(16%)	19(5.2%)
4.	The revenue of the business has steadily increase over time	82(28.2%)	164(56.3%)	7(2.3%)	21(7.2%)	17(5.9%)
5.	The business has created value for transgenerational wealth over time.	100(34.4%)	86(29.5%)	50(17.1%)	46(15.8%)	9(3.4%)

Source: Field Survey (2025)

The analysis of questions relating to family-owned business performance is presented in Table 3 It was discovered that about 29.5% strongly agreed that the business return on investment has increased over time; 30.2% also agreed to this. Similarly, in terms of increase in customer base and market share, 40.6% of respondents in this study agreed that the business customer has continuously increased which has also increased the market share while 36.4% also agreed to this. Furthermore, 29.7% strongly agreed and agreed that the business has grown in size and operation over time, while about 16% disagreed with this. About 84.5% cumulatively agreed that the revenue of the business has steadily increased over time, while 7.2% of the respondents disagreed with this. Moreover, 34.4% strongly agreed, and 29.5% agreed that the business has created value for transgenerational wealth over time. While about 11% disagreed with this, this implies that the family-owned businesses sampled have, over time, had increased return on investment, customer base and market share, size, operation, and revenue, and value for transgenerational wealth has improved.

HYPOTHESES TESTING

This section presents the test of hypotheses focusing on analysing sustainability and family-owned business performance in Nigeria. This is achieved by testing the significance of the regression coefficient, and the details of the analysis are presented in subsequent sections.

Hypothesis 1 Testing

Ho_1: Economic responsibility does not influence family-owned business performance.

Table 4: Effect of economic responsibility on FOB performance

Dependent Variable: OP				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	4.329827	0.046812	92.49341	0.0000
Ecor	0.635146	0.014477	23.15006	0.0000
R-squared	0.626136			0.0000
Adjusted R-squared	0.624967	**F-statistic**		535.7254
		Prob(F-statistic)		0.000000

Source: Field survey Compilation (2025)

Table 4 shows the hypothesis 1 testing results. The respondent’s score on economic responsibility and FOB performance in Nigeria was computed and subjected to regression analysis. The result indicated that the coefficient of economic responsibility (Ecor) (0.6351) is positive and significant at 5% showing that economic responsibility has a positive and significant influence on FOB performance.

The adjusted R-squared value showed that 62.4% of the change in FOB’s performance is attributed to economic responsibility, suggesting that implementing economic responsibility will increase FOB's performance. Thus, this study rejects the null hypothesis and accepts the alternative hypothesis, which implies that economic responsibility has a significant influence on FOB performance.

Hypothesis 2 Testing

Ho_2: Environmental responsibility has no relationship with family-owned business performances.

Table 5: Effect of Environmental Responsibility on FOB Performance

Dependent Variable: OP				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	4.095338	0.102500	39.95470	0.0000
Envr	0.629671	0.030958	8.064840	0.0000
R-squared	0.368921			
Adjusted R-squared	0.466324	**F-statistic**		565.04165
		Prob(F-statistic)		0.000000

Source: Field survey Compilation (2025)

Table 5 revealed the test of the effect of environmental responsibility and FOB performance in Nigeria, the respondents' score was computed and analysed using regression analysis. The result as shown in the above table indicated that the coefficient of environmental responsibility (Envr) (0.6296) is positive and significant at 5% showing that environmental responsibility has positive significant effect on FOB' performance. Since, environmental responsibility is to ensure sustainable FOB performance and it is measured by certain performance indicators, which therefore implies that effective environmental responsibility will improve FOB performance.
Furthermore, the adjusted R^2 also showed that environmental responsibility caused 46% variance in FOB performance. Suggesting that there some other variables not considered in this study that affects FOB performance. Thus, this study rejects the null hypothesis to accept the alternate hypothesis, which states that environmental responsibility does affect FOB performance.

Hypothesis 3 Testing

Ho_3: Sustainability has no effect on family-owned business performance.

Table 6: Effect of Sustainability on FOB Performance

Dependent Variable: OP				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	2.918894	0.308868	9.450292	0.0000
Ecor	0.603909	0.053267	0.655372	0.5127
Envr	0.610280	0.033199	6.933408	0.0000
OR	0.570180	0.033199	6.933408	0.0000
R-squared	0.675232			
Adjusted R-squared	0.672168	**F-statistic**		220.3863
S.E. of regression	0.197327	**Prob(F-statistic)**		0.000000
		Durbin-Watson stat		2.378432

Source: Field survey Compilation (2025)

Table 6 revealed test of the overall effect of sustainability on FOB' performance**,** multiple regression analysis was carried out on the variables. It was revealed that the coefficient of economic responsibility (Ecor) (0.6149) and environmental responsibility (Envr) (0.6101) are positive and significant at 5% showing that economic responsibility and environmental responsibility have a positive influence and relationship, respectively, on FOB performance. This implies that sustainability is an important tool for improving FOB performance towards achieving its set goal. Furthermore, the adjusted R^2 also showed that sustainability caused 67% variance in FOB performance, while the F-statistics also revealed that sustainability has a significant effect on FOB performance. Thus, this study rejects the null hypothesis and accepts the alternative hypothesis.

5. CONCLUSION

Based on the findings of this paper, it is concluded that economic responsibility has a significant positive influence on FOB performance, and environmental responsibility has a significant positive effect on FOB performance. Moreover, the combine effect shows that sustainability have significant effect on FOB performance. Hence, the FOB founders and managers need to formulate policies will encourage sustainability practices in order to improve their relationship with the stakeholders and also improve the performance of the business. Based on the findings of the following recommendations are made; FOB owners/managers should focus on evaluating the performance of different sustainable economic responsibility to reduce sustainability challenges, in order to improve their performance; FOB owners/managers should design policies that drives sustainability practice and initiatives in family business settings to improve environmental responsibility and performance, and FOB owners/managers should design effective sustainability strategy that will positively affect their performance.

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