Corporate Governance and Firm Performance of Private Family Businesses in South Eastern Nigeria

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ABSTRACT

Research has shown that corporate governance mechanisms contribute to the sustainable growth of small, medium, large, private, public, listed and unlisted family firms in developed countries. However, in a developing country such as Nigeria, private family businesses are unprecedentedly becoming bankrupt and moribund, yet studies relating corporate governance to firm performance have not been sufficiently brought to the fore. Thus, this study seeks to investigate if the ownership structure and board structure contribute to the financial and non-financial performance of private family businesses that are incorporated as 'limited liability' firms in South Eastern Nigeria. The study adopted a qualitative methodology. The qualitative data were collated through interview. It was found that the private family businesses adopted family ownership and informally constituted board structures. Although family ownership influences financial and non-financial performance better than board structure, the adoption of family ownership and informal board structures together was found to better engender improvement in financial and non-financial performance. It is recommended that private family business owners be sensitized and trained on the relevance of ownership and board structures in achieving financial and non-financial performance. Again, such owners should be guided on how to implement these structures in their businesses.

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1. INTRODUCTION

Traditionally, corporate governance has been associated with larger firms and the existence of agency problems. This tempted many management practitioners and researchers to believe that corporate governance principles may not apply in family businesses since agency problems are less likely to exist in family businesses (Hart, 1995; Sarbah and Xiao, 2014). Family firm owners are increasingly employing governance principles to improve firm performance in the present (Gatamah, 2008) and future generation because corporate governance facilitates growth in businesses and developing economies (Sarbah and Xiao, 2014). To ensure its sustainability, corporate governance principles are being made part of family firm's culture (Sarbah and Xiao, 2014). As family businesses go through the three stages of growth - founder(s), sibling(s) and cousin(s) - governance issues tend to relatively increase in complexity and reflect in the ownership and board structures (Kelin *et al.*, 1997; Jensen, 2001; International Finance Corporation, 2011; Ediriweera *et al.*, 2015). Family members most often form the board of directors of these businesses or the businesses do not have board of directors (Esposible, 2008, as cited in Brenes *et al.* (2011)). Today, research has shown that one of the contributing factors to the increasing number of corporate collapses and scandals is poor corporate governance. Therefore the need for corporate governance is undeniable (Lim, 2010; Abouzaid, 2011). Family businesses differ from public companies on the basis of corporate governance. This difference is derived from the nature of their ownership (Ward, 2004). Corporate governance is no longer restricted to only public listed companies but to all firms. Ownership structure and board structure are essential for sustainable business growth in most countries. Specifically, developing countries are now adopting corporate governance structures so as to attract investors from developed countries (Rachagan, 2007). However, governance is more complicated in family business compared to non-family business. This has been attributed to the inability to apply a typical corporate structure owing to the fusion of ownership and management in family business (Shenoy, 2014; Ediriweera *et al.*, 2015). This complication is visible in small, medium sized, large, unlisted, listed, private and public family businesses (Moche, 2014; Che and Langli, 2015). Since good corporate governance contributes to sustainable economic development by enhancing the performance of companies and increasing their access to outside capital, it is imperative that companies adopt good corporate governance structures to enable them grow (The Pearl Initiative & PricewaterhouseCoopers, 2012; Sarbah and Xiao, 2015). Corporate governance whether as ownership structure (e.g., family ownership, multiple ownership) or as board structure (e.g., board composition, board size, shareholding, CEO duality, committees, gender diversity) has not received attention in practice and research in developing countries like it is in developed countries (Klautzer, 2013). The economic, social and cultural differences between developed and developing countries suggest that the practice of corporate governance in developed countries may not perfectly suit developing countries (Heenetigala, 2011). Furthermore, so much has been reported on the efficiency of corporate governance mechanisms in publicly listed companies. But the report on the role of corporate governance in private firms is limited (McKnight and Weir, 2009; Ward and Filatotchev, 2010; Ediriweera *et al.*, 2015). This is owing to the rarity of research data on corporate governance in private firms (Wellalage and Locke, 2011).

Extant literature reveals that previous studies have focused on public family businesses owing to easier data accessibility. However, it is important to note that studies on public family businesses cannot reflect the behaviour of private family businesses (Miller *et al.*, 2011). The few researches that focused on private family businesses relatively compared the performance of private family businesses and private non-family businesses (Arosa *et al.*, 2010; Che and Langli, 2015). Moreover, globally, a large proportion of businesses are family-owned and most family businesses are private, yet our understanding of private family businesses is limited (Gulzar and Wang, 2010; Che and Langli, 2015). Extant literature has clearly shown that performance is measured based on financial and non-financial indicators. However, financial performance is not the sole objective of family businesses as the performance of family businesses are more strongly depicted by non-financial indicators (Colli, 2011). Financial measures are incomplete and metrics are rarely providing much of valuable information about performance like non-financial data (Kotane and Kuzmina-Merlino, 2011; Merril *et al.*, 2011). Research has shown that financial and non-financial performance is influenced by corporate governance (ownership and board structures) (Al-Beshtawi *et al.*, 2014; Buallay *et al.*, 2017; Mansur and Tangl, 2018). In spite of the few studies that have investigated the relationship between the dimensions of corporate governance and financial/non-financial performance of private family businesses (Arosa *et al.*, 2010; Brenes *et al.*, 2011; Che and Langli, 2015; Minetti *et al.*, 2015; Hussain and Hadi, 2017) there is no consensus on the association between financial/non-financial performance, and ownership and board structures (Eisenberg *et al.*, 1998; Anderson and Reeb, 2004; Aguiló and Aguiló, 2012; Ujunwa and Ugbam, 2012; Al-Beshtawi *et al.*, 2014; Latif *et al.*, 2014; Buallay *et al.*, 2017; Zraiq and Fadzil, 2018) and most of the studies adopted quantitative methodology (Brenes *et al.*, 2011; Che and Langli, 2015; Minetti *et al.*, 2015; Hussain and Hadi, 2017). Thus, there is increasing calls for more researches involving private family businesses (Chrisman *et al.*, 2007; Gulzar and Wang, 2010). Nigeria as a developing country has a considerable number of private family firms that are incorporated as 'limited liability' firms and which have the word 'limited' attached to their names. Thus, since majority of the businesses in South Eastern Nigeria are private family businesses, this study focused on private family businesses in the zone. The people of South Eastern Nigeria are known to be enterprising and to own businesses in different parts of Nigeria and beyond. Some of these businesses are in their founder(s), while others have grown into the siblings and cousins stage. Notwithstanding the predominance and relative growth of these businesses, the rate at which the businesses are becoming bankrupt and moribund is unprecedented. If the challenges of growth strategies, governance and globalization are not mitigated, the owning families are likely to lose their investments, the government is bound to experience dwindling revenue, the zone stand to witness more moribund firms, increasing rate of unemployment, litigations, poverty and unsuccessful succession. It is therefore important to investigate the contribution of ownership and board structures to financial and non-financial performance of private family businesses that were incorporated as 'limited liability' firms in South Eastern Nigeria. The objective of this study is to investigate if ownership structure (family ownership, multiple ownership) and board structure (board composition, board size, shareholding, CEO duality, committees, gender diversity) contribute to the financial and non-financial performance of private family businesses that were incorporated as 'limited liability' firms in South Eastern Nigeria.

2. LITERATURE REVIEW

2.1. Corporate Governance

There are various definitions of corporate governance as there are different corporate governance researchers. However, the adopted definition for this study is that put forward by OECD (2015). It is preferred to others because it accommodates all firms irrespective of the form and size. OECD defines corporate governance as a set of relationships between a company's management, its board, its shareholders and other stakeholders. It also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance. Hua *et al.* (2006) pointed out that corporate governance is influenced by the historical, political, industrial, social and cultural contexts of a country. These contextual elements also vary across countries (Lubatkin *et al.*, 2005). Corporate governance is achieved through board supervision, monitoring, auditing process and financial disclosure as well as institutional and societal arrangements (Sarbah and Xiao, 2014). Generally, governance mechanisms concern ownership structure and board structure (Jensen and Meckling, 1976; Blair, 1995).

It can be deduced from the foregoing that there are two components of corporate governance: corporate governance structures and corporate governance processes. Corporate governance structures are meant to discipline corporate governance actors, that is, the owner(s), director(s) and executive manager(s). Corporate governance structure is divided into ownership structure and board structure. Corporate governance processes describes the interactions among corporate governance actors in accordance with corporate governance structures.

2.1.1. Ownership Structure and Corporate Governance

The term 'ownership structure' is used to explain the classes or group of owners that exercise control over activities of a firm. In family business, ownership is concentrated around families. Majority of family firms around the world are controlled and owned by their founders or their descendants (La Porta *et al.*, 1999). Kelin *et al.* (1997) asserted that family businesses go through the founder(s) stage, sibling stage, and the cousin stage as they grow. At the founder(s) stage, the business is managed by the founder(s). The founder(s) at this stage might ask for advice from other business associates but the majority of the decisions are taken by them. Corporate governance issues are very limited at this stage as the ownership and control still lie with the founder(s). The most important issue at this stage is succession planning. This is because the founder(s) need to groom the next leader of the company to ensure its survival from generation to generation (Leach, 2007; Abouzaid, 2011). At the sibling(s) stage, the ownership of the business is transferred to the children of the founder(s). The founder(s) are no longer the manager(s). There is no simplicity in this stage, things become complex and corporate governance is required. There are challenges that are faced by siblings in terms of harmony, formalizing processes and procedures, efficient communication channels and succession planning for management positions. In most cases the siblings develop different views about the business which might lead to potential conflicts (Leach, 2007; Abouzaid, 2011).

At the cousin stage, most family members are directly and indirectly involved in the running of the business. The challenges that family firms face at this stage consist of family member's role in the business, family conflict resolution, family shareholding rights, shareholding liquidity, and family vision and mission. The conflicts become more complex in this stage as siblings and cousins have different views about the operation of the firm. At this stage, the business requires a high degree of professionalism; a huge need for outside management and corporate governance practices (Abouzaid, 2011). Each of these stages present different issues and challenges; thus, the businesses need to be managed properly in order to ensure continuity. It has been found that most family-owned companies are successful during the first stage as the decisions are taken by the founder(s). In the long run the corporate governance mechanisms need to be put in place in order to allow for efficient communication and clear definition of roles in the family firm (Ward, 1991). Another strong block-holder or a strong second owner increases the performance of the business through motivation and the power to curb the potential expropriation by the controlling owner (Pagano and Röell, 1998; Lehmann and Weigand, 2000; Bennedsen and Nielsen, 2010). The contribution of the second largest owner to firm performance is strong and stronger when the owners include a member of the controlling family and a non-family member (Che and Langli, 2015). Family power via ownership and management in family businesses can form governance issues due to lack of professional management particularly when the organizations become larger (Kuruppuge *et al.*, 2018). However, research has shown that the application of good governance principles can lead to the effective resolution of issues arising from the separation of ownership and control (Jensen and Meckling, 1976; Fama, 1980) and to improved performance (McConaughy *et al.*, 2001; Anderson and Reeb, 2003; Miller and Le Breton-Miller, 2005; Dyer, 2006; Villalonga and Amit, 2006).

2.1.2. Board Structure and Corporate Governance

The responsibility for the practice of corporate governance in a firm lies with the board of directors (Mallin, 2010). Board of directors directs the organization, establishes the governance system, and manages conflicts in the organization (Dwivedi and Jain, 2005). The overall efficiency of a board of directors is influenced by the board composition, board size, shareholding, CEO duality, committees and gender diversity (Chiang and Lin, 2007; Jaskiewicz and Klein, 2007; Maran and Indraah, 2009; Julizaerma and Sori, 2012; Moche, 2014).

2.2. Board Composition

Board composition refers to the number of outside directors, when expressed as a proportion of total board membership. A board dominated by outside directors is more likely to be independent of management than one dominated by inside directors. Therefore, such board is more likely to protect the interests of other stakeholders (John and Senbet, 1998; Bhagat and Black, 2001; Sanda *et al.*, 2011). The board of directors should be balanced in terms of the number of executive and non-executive directors (including independent non-executive directors). This should be done in such a way that no individual or group of individuals or interests dominates decision making in the board. The board composition should be guided by formal and transparent procedures for nomination and appointment of new directors. The tasks of the CEO and the chair of the board should be properly defined and the positions clearly divided to ensure that power and authority is balanced and maintained, and that no one of them has unfettered powers in decision making. However, where these roles are combined, the reasons thereof should be stated (Moche, 2014).

2.3. Board Size

Board size is the total number of directors (including the chairman) on the board. There may be no one-size-fits-all recommendation for the optimal size of a board, however a board size of 10 is often recommended. It is argued that within a certain range, the larger the board, the more effective it is in its statutory function of monitoring the management (Sanda *et al.*, 2011). Stewardship theory assumes that a relatively small board with a high number of executive directors advises management (Davis *et al.*, 1997; Gubitta and Gianecchini, 2002). Conversely, agency theory assumes that the activities of management are monitored by a relatively large board that is mainly composed of non-executive members that are independent of the firm and the family (Gubitta and Gianecchini, 2002; Corbetta and Salvato, 2004).

2.4. Shareholding

All shareholders have the right to be treated equitably and to seek redress for violation of their rights. These include right to: secure methods of ownership registration; transfer shares; obtain relevant and material information about the firm on a timely and regular basis; participate and vote in general shareholders' meetings; elect and remove members of the board; and share in the profits of the firm (Moche, 2014).

2.5. CEO Duality

CEO duality refers to the situation where the same person serves as both the CEO and chair of the board (Desai *et al.*, 2003). The chairman performs the function of running the board of directors and observing the process of hiring, firing, evaluating, and compensating the CEO. Based on the agency theory, the CEO and chairman should be separated because the chairman cannot accomplish these functions without conflicts of personal interest (Jensen, 1993). Boyd (1995) argued that the CEO as the chair of the board offers a clear direction of a single leadership that will respond faster to external events. CEO duality show greater knowledge and commitment to the firm compared to when the positions are separated. CEO duality has a positive effect on subsequent performance after controlling for the interaction with uncertain environment. Thus, firms with CEO duality perform better than those with separate leadership (Issarawornrawanich, 2015). CEO duality also empowers a strong single leader who could respond quickly to a changing market environment (Pfeffer and Salancik, 1978). A more recent research shows that CEO duality weakens the roles of governance mechanisms in family businesses (Goh and Rasli, 2014).

2.6. Committees

In order to avoid potential conflict of interest with respect to remuneration, nomination, and accounting and financial responsibilities, the board of directors sets up independent remuneration, nomination and audit committees (Cadbury Report, 1992; Dalton *et al.*, 1998; Moche, 2014). The remuneration committee provides transparency in the setting of executive compensation levels, while the nomination committee takes care of the procedures for the appointment of new directors and management (Issarawornrawanich, 2015). The audit committee provides accurate and quality financial statements with full disclosure to the shareholders (Sharma *et al.*, 2009). An audit committee with a higher number of independent members plays a major role in minimizing financial fraud and is considered to positively affect firm performance (Hamid *et al.*, 2015). Sanda *et al.* (2011) asserted that in Nigeria, the new code of corporate governance provides that the non-executive directors should be in the majority, and that a non-executive director should chair the remuneration committee, the membership of which should comprise wholly or mainly of outside directors. Audit committee's size, independence and meeting serves as important elements of corporate governance mechanism and contributes to firm's performance by ensuring that management presents true and fair view of the firm to the shareholders (Bauer *et al.*, 2009; Hsu and Petchsakulwong, 2010; Nuryanah and Islam, 2011; Obiyo and Lenee, 2011; Al-Matari *et al.*, 2014).

2.7. Gender Diversity

The inclusion of women in a previously men dominated board of directors has been recognized as a necessary component of good corporate governance. It has been argued that women have strengths and experiences distinct from that of men that adds value to board deliberations and monitoring of management. Relative to men, women are more democratic, transformational, trust-worthy, risk averse, conscientious and well-prepared. Women have higher ethical standards and leadership skills than men. Thus, they increase board independence through their better decision making capability (Gul *et al.*, 2007; Adams and Ferreira, 2009; Rhode and Packel, 2014; Sarkar and Selarka, 2015). The more diversified the board, the more effective it is (Alestalo, 2010).

Keys *et al.* (2003) argued that more diverse boards have a tendency to have better relationship with customers, suppliers and employees. Gender diverse board monitor directors more intensively, promotes high quality decisions through their different perspectives to the board's deliberations, and has a positive impact on performance in firms that have otherwise weak (external) governance. However, more gender diverse boards are harmful to the performance of firms with strong governance (Adams and Ferreira, 2009). Whether the agitation to have quotas or not, is born out of the equality question between men and women, or to increase firm performance through more diverse boards, governments are beginning to take steps towards balancing gender disproportion in top management. These steps are geared towards compelling organizations to increase female presence in boards of directors (Alestalo, 2010).

2.8. Firm Performance

Firm performance is a set of financial and non-financial indicators which offer information on the degree of achievement of objectives and results (Lebans and Euske, 2006). Firm performance can be grouped into financial and non-financial performance. Cheng (2008) stated that the combination of financial and non-financial performance measures help business owners and managers to gain a wider perspective on how to measure and compare firm performance. Monday *et al.* (2014) noted that the financial measures include profits, return on assets, and return on investment and sales, while the non-financial measures focus on issues pertaining to customer's satisfaction and customer's referral rates, delivery time, waiting time and employee's turnover. Financial measures of performance may not clearly reflect the quality of firms' performance. This is because it suffers from historical irregularities and is sometimes not readily available in the public domain (Bucklin and Sengupta, 1993).

Moreover, based on the level of family members contributions to the performance of family business, family business researchers and owners are beginning to advocate the use of non-financial indicators in assessing firm performance (Colli, 2011). Other researchers and practitioners have argued that the financial and non-financial performance indicators should be combined. Specifically, other non-financial performance indicators that are associated with family business include family social capital, family/business culture, commitment, survival, embeddedness, reputation and sustainability (Cappuyns, 2007; Gómez-Mejía *et al.*, 2007; Danes *et al.*, 2009; Colli, 2011; Aderonke, 2014). Owing to the importance of firm performance to business owners, managers, potential investors, banks, other financial institutions, creditors, business partners, employees, government and the society at large (De Loecker and Goldberg, 2014) researchers and practitioners alike are resorting to diverse measures to improve and/or sustain firm performance. One of such measure is corporate governance (Miniga, 2013).

2.9. Private Family Business

The definition of a family typically varies with the culture of a people. The term 'family' refers to parents, children, siblings as well as persons related through blood or marriage (Uhlaner *et al.*, 2007). Family business is a part of a family's tradition of strong family ties (Nanayakkara, 1992; Chrisman *et al.*, 2005). One of the most important characteristics of a family business is the strong inter-relationship between the family and the business (Mandl, 2008). The terms 'family-owned firm', 'family business' and 'family company' are used interchangeably (Kondlo, 2016). The European Commission (2008) define a family-owned business as a firm where firstly, the majority of decision-making rights is in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs; Secondly the majority of decision-making rights are indirect or direct; Thirdly, at least one representative of the family or kin is formally involved in the governance of the firm; and lastly, a listed company meets the definition of family enterprise if the person who established or acquired the firm (share capital) or their families or descendants possess twenty five per cent of the decision-making rights mandated by their share capital. This definition is preferred to other definitions because it accommodates all firms irrespective of their size. Private firms are firms that are not listed on a stock exchange market. Majority of the firms in the world are private firms (La Porta *et al.*, 1999). Most of these private firms are controlled by families (TEC, 2003). This implies that a considerable number of the private firms in the world are private family businesses. Therefore private family businesses are businesses that are not publicly listed but which sell their shares to individuals or firms they have selected for obvious reasons to the family. These businesses include businesses that are not formalized, businesses incorporated as 'limited liability' and 'public liability company'. Since majority of the previous studies focused on publicly listed firms and private family businesses are predominant in South Eastern

Nigeria, this research considered family businesses that are incorporated as 'limited liability' and have the word 'limited' attached to their names.

2.10. Empirical Review

Brenes *et al.* (2011) found that a board of directors that is made up of non-family and family members is a key component in improving company's performance. This result is however not in tandem with the findings from a more recent research by Che and Langli (2015). Che and Langli pointed out that higher ownership of the second largest owner, higher percentage of family members on the board and stronger family power are associated with higher firm performance. This occurs when the second largest owner is a member of the controlling family. The result further revealed that firm performance is more associated with ownership structure than board structure. But the findings of Che and Langli seem to be somewhat in agreement with the result of Socha and Majda-Kariozen (2017) who proposed that the involvement of the owner in the governance process can affect the financial aspect of the business. The relationship between firm performance and board composition have been reported by Oyoga (2010) to be positive, while (Latif *et al.*, 2014) established that it is negative. Latif et al. further established that ownership and board structures influence family firms' financial performance. In disagreement with Latif's et al. conclusion, Aguiló and Aguiló (2012) argued that the relationship between family ownership and firm performance is not uniform across different levels of family ownership. Furthermore, the results of the relationship between board size and firm performance have so far been found to be mixed. Board size has been observed to be closely related to firm performance (Kondlo, 2016; Hussain and Hadi, 2017). In contrast, evidence of a negative relation has also been reported (Eisenberg *et al.*, 1998; Guest, 2009; Ujunwa and Ugbam, 2012) other results show positive relationship (Mak and Kusnadi, 2005; Latif *et al.*, 2014) while some studies have reported no significant relationship (Fooladi *et al.*, 2014). Amran and Ahmad (2011) proposed that large board size contribute to higher family companies' performance. Chiang and Lin (2007) have shown that smaller board size can help improve productivity of firms. Regarding the board structure, researchers differ in their findings. Amran and Ahmad (2011) proposed that low directors' expertise and duality leadership contribute to higher family companies' performance. Conversely, Ujunwa and Ugbam (2012) and Chu *et al.* (2016) asserted that CEO duality is negatively related to firm performance. Oyoga (2010) and Michiels *et al.* (2012) reported that CEO compensation is related to firm performance. From a general perspective, no association was found between audit committee meeting and firm performance as reported by Al-Matari *et al.* (2012) while Sanda *et al.* (2011) found that audit committee independence has a negative relationship with firm performance. However, Robin and Noor (2016) established that audit committee size has a positive relationship with firm performance. The larger audit committee can help companies to monitor and ensure the transparency of financial report. Hence, the investors will feel safe when they invest their fund in the company. Corroborating this assertion, Oyoga (2010) noted that there is a positive relationship between firm performance and shareholding.

Research has shown that the relationship between gender diversity and firm performance is negative (Bøhren and Strøm, 2010) while a more recent research by Zhuang *et al.* (2018) confirmed that gender diversity among members of the board is not significantly related to corporate social responsibility performance. It has been highlighted that the presence of women in corporate board can influence firm performance (Wang and Clift, 2009; Shabbir, 2018) while the results of other studies showed that it can increase a firm's financial performance (Maran and Indraah, 2009; Julizaerma and Sori, 2012; Lee-Kuen *et al.*, 2017). Hoogendoorn *et al.* (2013) found that teams with an equal gender mix perform better than male-dominated and female-dominated teams in terms of sales, profits and earnings per share. The results of previous studies that related the dimensions of corporate governance (ownership and board structures) and firm performance (financial and non-financial) have revealed mixed findings. Al-Beshtawi *et al.* (2014) found that corporate governance (ownership and board structures) affects firms' non-financial performance. Buallay *et al.* (2017) concluded that ownership and board independence has no significant impact on firm's market performance. However, Mansur and Tangl (2018) and Zraiq and Fadzil (2018) established in their separate studies that ownership structure (family and foreign) is significantly and positively related to firm financial performance. Concerning the relationship between firm performance and family ownership, Westhead and Howorth (2006) found a negative relationship, while (Castillo and Wakefield, 2006) and Sciascia and Mazzola (2008) established that there is no correlation. Lishenga (2012) and Coskun and Sayilir (2012) concluded in their respective studies that corporate governance is not related to financial performance. Contrariwise, Miniga (2013) and Hussain and Hadi (2017) confirmed that corporate governance mechanism has significant influence on firm performance.

It is evident from the reviewed studies that researchers have investigated the relationship between corporate governance, and family and non-family firm performance. These studies generally define firm performance as financial performance and non-financial performance. Furthermore, these studies have considered the ownership structure or board structure aspects of corporate governance. The researches that focused on ownership structure conceptualized owners as family owners and multiple owners. In the studies that focused on board structure, board composition, board size, shareholding, CEO duality, committees and/or gender diversity were considered as components of the board structure. However, for the studies that surveyed family firms, majority of them focused on the listed firm, while only few researches sampled unlisted or private family firms. It can also be deduced from the review that majority of the studies adopted quantitative methodology. Moreover, the findings are mixed hence the need for further studies. Basically, similar studies are rare in Nigeria and South Eastern Nigeria in particular.

Despite the predominance of private family firms that were incorporated as 'limited liability' firms and which have the word 'limited' attached to their names in the geopolitical zone, researches that have related corporate governance to firm performance using samples from these firms are rare. This study therefore investigates the contribution of ownership structure (family and multiple) and board structure (board composition, board size, shareholding, CEO duality, committees and gender diversity) to firm performance (financial and non-financial).

3. THEORETICAL UNDERPINNINGS OF THE STUDY

Stewardship theory was theorized by Donaldson and Davis (1991). The theory assumes that: (i) agents' (managers') interests are aligned with those of the business owners. That is, their interests are directed towards organizational objectives rather than personal objectives (Davis *et al.*, 1997) (ii) people are driven by high level of needs such as self-actualization, social contribution, loyalty and generosity; and (iii) not all agents are created equal. Stewardship theory is a useful framework for examining governance issues in family businesses (Sharma, 2004). The theory view family business owners as freed from short-term financial market demands, and as persons who use their influence for the benefit of the organization's stakeholders and for the sustainability of the business. This suggests that family business owners and the employees of the family business are emotionally committed to the long-run survival and reputation of their businesses, as their fortunes, careers, personal honour as well as the future of their children and ancestors depend on the success of the family businesses (Kuruppuge *et al.*, 2018). Stewardship theory does not stress the perspective of individualism. Rather, it emphasizes the role of top management as stewards, integrating their goals as part of the organization. The board of directors and the CEO, acting as stewards, are more motivated to act in the best interests of the organization rather than for their own self-interest.

Thus, the stewards are satisfied and motivated when organizational success is attained (Donaldson and Davis, 1991; Clarke, 2004).

4. METHODOLOGY

The qualitative methodology adopted in this study is interview technique. Since the unit of analysis is family business, the family businesses were purposely selected based on the following pre-determined criteria: (i) the business is a private family business; (ii) one or more of the business owner's family member work in the business; (iii) the business is not moribund; (iv) the business is located in the owner's State of origin or residence; and (v) the business is incorporated as a limited liability company and has the word 'limited' attached to its name. Private family businesses were studied because they are predominant in the five States (i.e., Abia, Anambra, Ebonyi, Enugu and Imo States) in South Eastern Nigeria. Also, the family businesses are facing the challenges of governance, globalization, and their adopted growth strategies. Moreover, unprecedented number of these businesses are experiencing poor performance and becoming moribund. Consequently, this study seeks to investigate the contribution of corporate governance (ownership structure, board structure) to the financial and non-financial performance of private family businesses in South Eastern Nigeria. To generate the study data, fifty private family businesses were purposively selected. Although the sample is small, it is however termed adequate and acceptable for an exploratory study of this nature (Burns, 2000; Dechant and Al-Lamky, 2005; Jamali, 2009). Ten businesses were studied in each State and in each business three persons were interviewed, that is, the founder and two top level managers. In all, 150 respondents were interviewed. The interview schedule (see Appendix) was pre-tested to ensure that all the proxies and constructs in the schedule were well captured and free from interpretation errors. Before the commencement of each interview, verbal permission to audio record the interview was sought and obtained from the respondents. To avoid the possibility of information loss due to the malfunctioning of the audio recorder or some other unforeseen circumstances, two different audio recorders were used during each interview.

At the beginning of each interview, the respondent was given background information to the study. This includes the aim of the study, brief explanation of the concepts in the study, nature of the interview questions and duration of the interview. All the interviews were conducted at the convenient time to the respondents. On the average, each interview lasted for twenty five minutes. At the end of each interview, the audio recorded interview was transcribed verbatim. To avoid any form of error or misinterpretation in the transcription of the audio recorded interviews, the researcher read through all the transcriptions whilst listening to the audio. Also, the respondents were allowed to read through the transcriptions to attest that their words were correctly transcribed. This process guaranteed that the data used for analysis were not compromised in any way. The interview transcriptions were subjected to thematic content analysis. Codes were manually assigned to quotes from the transcriptions. Thereafter, patterns in the quotes were identified. These quotes were sorted based on the identified patterns to develop the study themes. In reporting the findings, pseudo business names were used to avoid revealing the identity of the sampled private family businesses (**FB = Family Business**) and/or giving the public any reason to guess the identity of the respondents.

4.1. Profile of the Respondents

The distribution of the respondents by sex showed that 59.3% (89) and 40.7% (61) are respectively male and female. The distribution of the respondents by age revealed that 93.3% (140) are less than 50 years old, while 6.7% (10) are between 50 and 69 years old. The distribution by marital status depicted that 78.7% (118) and 21.3% (32) of the respondents are married and single respectively. The distribution of the respondents by family status indicated that 24.0% (36), 42.0% (63), 5.3% (8), 5.3% (8), 10.0% (15) and 13.4% (20) are wives, husbands, daughters, siblings, sons and not related to the business owners respectively. The distribution of the respondents by highest educational qualification revealed that 37.4% (56), 22.0% (33), 22.0% (33), 9.3% (14) and 9.3% (14) respectively have SSC (Senior School Certificate), OND (Ordinary National Diploma), HND (Higher National Diploma), BSC (Bachelor of Science) and MSC (Master of Science). The distribution by business status showed that 50.0% (75) of the respondents are the business owners, while the remaining 50.0% (75) are top level managers. On the basis of duration in the business, 80.7% (121) of the respondents have been in the firms for less than 21 years, while 19.3% (29) of the respondents have been in the firms for between 21-40 years.

5. FINDINGS

The findings from the thematic content analysis of the transcribed interviews are organized based on the developed themes and presented in two subsections. The subsections are the contribution of ownership structure to financial/non-financial performance, and the contribution of board structure to financial/non-financial performance.

5.1. Contribution of Ownership Structure to Financial/Non-financial Performance

The findings under this subsection are presented based on the identified theme. The identified theme is family ownership structure.

5.1.1. Family Ownership Structure

The respondents agreed that the businesses are owned by the families controlling the management. These families started and continued the operation of the businesses. Nine of the businesses are in the founder(s) stage, while thirty eight are in the siblings' stage. The respondents further stated that family ownership structure significantly contributes to the financial and non-financial performance better than multiple ownership structure. The fact that the business is owned by the family drives the family members to be absolutely committed to the goals of the business. Leaving ownership in the founding or owning family has improved the profit, social capital, investments, facilities, commitment, sustainability, the activities of knowledge workers, product/service quality, reputation of the family/business, and the survivability of the business. This is evident from the generated responses:

*This business was started by my family and my family still controls it … It gives us a sense of ownership that drives us to be absolutely committed to the goals of the business (**FB11).***

*This business was originally a part of a partnership business. My father pulled out of the partnership on account of poor performance before he died. As a manger of the new business my father started after pulling out of the partnership, I can experientially tell you that the gains of leaving the ownership of the business in our family outweigh that of sharing the ownership with other individuals or families via a board **(FB13)**.*

*Leaving ownership in my family compelled the family members to adhere to the family/business culture, made the business to remain in the family and vice versa, improved the reputation of the family/business via the family name, and improved the survivability of the business **(FB17)**.*

*Originally, this business was started by my family, one foreign and another family co-owner. After its collapse, I started the present firm alone. In addition, I hired non-family managers and accountants. … since inception and without a formal board of directors, the business has to a large extent, been witnessing improvements in profit, social capital, investments, facilities, commitment, sustainability, the activities of knowledge workers, and product/service quality **(FB18)**.*

It was observed from the responses that at the founder(s) growth stage, family ownership structure contributes to the achievement of the firms' highest financial and non-financial performance. This is explained by the following statements:

*… the profits, capital, investments recorded in the books and the commitment of my first son to this business are not in any way comparable to what it was before I made him the general manager … **(FB1)**.*

*It was based on our business consultant's advice and the consent of the founder that we hired some professionals. Their professional efforts have brought the hitherto almost dead business back to life. Today, we now record more sales and profits, and improved relationship with our customers. Above all, the members of staff are now better committed to their duties **(FB5)**.*

The private family businesses that experienced dwindling financial and non-financial performance at the siblings' stage did so because they failed to hire competent children of the founder(s) who as well exhibited the culture of the family/business. Further, owing to the failure to hire only competent persons, one of the businesses in the cousins' stage faced more governance challenges. To avoid collapse, save the family name and hence preserve the family legacy, the children of the founders of this private family business laid off the cousins so as to revert to the siblings' stage. These are confirmed by the following statements:

*We lost the larger part of our capital, lost customer patronage, and recorded losses on account of obsolesce of products, and lack of commitment on the part of workers. All these happened because the descendant CEO didn't heed his father's advice on competence. To save the business from total collapse, the entire incompetent siblings were laid off **(FB7)**.*

*We had to lay off all the family members who were not of the same parents with us so as to enable us control the business as siblings like we did before. We took this measure on discovering that the issues of thefts, losses and missing items in the business started when we began to hire extended family members. … It wasn't easy but we did it to save the family name, the business image and to avert the collapse of the business **(FB8)**.*

5.2. Contribution of Board Structure to Financial/Non-Financial Performance

The findings under this subsection are presented based on the identified themes. The themes are informal board, shareholding, CEO duality and gender diversity.

5.2.1. Informal Board

The respondents agreed that they have no formal boards and board meetings but an informal board because it improves the financial and non-financial performance of their businesses. However, they confirmed to having varying number of family and non-family members on the informally constituted board. This board members meet informally during family meetings, within the business premises and during social gatherings. This is substantiated by the following responses**:**

*We adopted an informal board that is made up of more family members because it positively impacts our financial and non-financial performance (**FB22**).*

*We brought in more of our family members into the board because we wanted the wishes of the family to always reflect in the business (**FB50**).*

*The business adopted equal family and non-family members on the informal board as a way of generating broader views on business issues and to ensure that the best decisions are made after considering the matter from all available perspectives (**FB45**).*

*The members of the board usually meet informally during family meetings, in social get together and sometimes within the business premises (**FB42**).*

*After series of unmet goals with a balanced informal board in terms of number of family and non-family directors, we resorted to co-opting more experienced non-family members into the informal board (**FB44**).*

*The introduction of experienced non-family directors into the informal board … made our business to witness geometrical improvement in capital, profit, investments, family/business image, customer satisfaction and commitment on the part of workers (**FB41**).*

On the average, the informal boards have seven members. The respondents generally, agreed that the size of the board is determined by the size and nature of the business. They equally, noted that boards that have knowledgeable, experienced and politically connected members achieve better financial and non-financial performance than boards whose members lack these qualities. The respondents stated that aside the CEO, no person or group has overriding power during decision making. These CEOs influence the process of appointments into the board and the business. Such CEOs want to remain in control of the ownership and management because it improves the financial and non-financial performance of the business. The businesses sell shares to persons or other firms selected by the owning family. This is evident from the generated responses:

*We increase the number of persons on the board as the business increases in size and branches. For instance, two years ago we were five and at the beginning of this year when we met we were six. The advantage of this small sized informal board to us is their wealth of knowledge, experience and their connections to the political class **(FB38)**.*

*The characteristics of our small sized informal board has impacted positively on our profits, investments, commitment, sustenance and survival more than when we had a larger board size **(FB34)**.*

*The size of our informal board is ten. But we are planning to cut it down since the large size hasn't really brought so much positive result to the business **(FB36)**.*

*Aside the CEO no other member of the board has overriding power during decision making. However, this is due to the experience, knowledge and connections of the CEO with respect to the business. These qualities makes the CEO want to remain in this position to control the business **(FB30)**.*

The respondents pointed out that the informally constituted boards do not discharge any of their responsibilities through any informally constituted committee. However, to make appointments, fix salaries/allowances and request for an audit report, the CEOs, does that alone or in a meeting with the heads of the appropriate units/departments and members of the informal board. Appointments are made whenever there is need to employ, promote, appoint a new board member or redeploy a staff. The CEOs discusses the issue of salaries/allowances in the meeting whenever it is time to pay remunerations, fix remuneration or to ratify such remunerations that have been previously fixed. Account/audit matters are discussed in such meeting towards the end of the year, whenever there is the need to prepare statement of account and audit report. However these functions are discharged, the quality of work done, the trustworthiness of the workers and the level of independence the workers get influence the financial and non-financial performance of the business. These were the views of respondents from the following family businesses:

*The informal board in this business does not use any formally constituted committee to carry out any of its responsibilities **(FB29)**.*

*The CEO makes appointments, fixes salaries and allowances either alone or in a meeting with the appropriate unit/departmental heads and members of the informal board **(FB2)**.*

*Our CEO usually requests for an audit report alone or in a meeting with the concerned heads of units/departments and members of the informal board **(FB4)**.*

The issue of salaries/allowances are discussed in a meeting involving the CEO, the concerned heads of units/departments and members of the informal board. This happens whenever it is time to pay remunerations, fix remuneration or to ratify such remunerations that have been previously fixed ***(FB24)****.*

Issues concerning account/audit are discussed in a meeting that has the CEO, the concerned heads of units/departments and members of the informal board in attendance. This takes place towards the end of the year, whenever there is the need to prepare statement of account and audit report ***(FB25)****.*

The CEO of this firm makes appointments whenever there is need to employ, promote, appoint a new board member or redeploy a staff ***(FB6).***

No matter how the informal board discharges its appointment, remuneration, account and audit function, the quality of work done, the trustworthiness of the workers and the level of independence the workers get influences the profits, investments, capital, sustainability and survivability of the business, and the commitment of workers ***(FB32)****.*

5.2.2. Shareholding

The respondents reported that some of the founder(s)/CEOs or descendant/CEOs have sold a part of their shares to family members, while retaining the controlling shares. A founder sold his share to an extended family member to improve the financial and non-financial performance of the business and by extension ensure the sustainability of the family legacy. The family selects the shareholders and also determine the amount of shares that is sold to them. This is evident from the following responses:

Even though my family has the controlling share, this business still has shareholders. But it was the family that selected the shareholders and also determined the amount of shares that were sold to them ***(FB46)****.*

Our business has five family members who are shareholders. But I had to sell my own share as the founder and controlling shareholder to two different extended family members to improve the profits, investments, facilities, motivate the workers through increase in salaries, and further enhance the image, sustainability and survival of the business. I did it because I knew my first son has the second largest share and as such the controlling shareholder is still a member of my family ***(FB49)****.*

5.2.3. CEO Duality

The respondents noted that the roles of the CEO and the board chair are combined. At the founder(s) stage, this practice has helped the CEO/chair to be informed of the different operations of the business and to contribute in making informed decisions in the board.

The respondents agreed that this has positively boosted their profits, customer patronage, investments and workers commitment. In the siblings' stage, this practice motivates the founder's children to avoid all excesses that could undermine the profit and survival of the family business as a whole. This is because they do not want the business to become moribund. CEO duality ensures that the CEO is effective and efficient in management, and that the family members are effective and efficient in their monitoring function.

This practice enhances business profits and family/business image through its ability to keep all the children of the founder informed of the operations of the business. These summarized views are captured in the following responses:

*In our organization, the roles of the CEO and the board chair are combined. This practice has helped the CEO/chair to be informed of the different operations of the business and to contribute in making informed decisions in the board. For us at the founder(s) stage, this practice has positively boosted our profits, customer patronage, investments and workers commitment (****FB12****).*

*The functions of the CEO and the board chair of our business are performed by same person. This is to make for effective and efficient management by the CEO, and effective and efficient monitoring by the family members (**FB19**).*

*In the siblings' stage, combining the roles of the CEO and the board chair has enhanced our profits and family/business image through its ability to keep all the children of the founder informed of the operations of the business. Since the children do not want the business to become moribund, they avoid all excesses that could undermine the profit and survival of the family business as a whole (**FB27**).*

5.2.4. Gender Diversity

The respondents affirmed that the businesses are gender diverse. On the average, each board has two females and four males. The respondents generally stated that women make unique contributions to a business compared to the men. Also, there are roles men play in business that the women may not dear.

Men are more enduring and suppressive. These characteristics have helped them to be more tolerant to workers, customers, suppliers and government officials from the business regulatory agencies. Women can be more undeterred in commitment and have ability to convince both men and women in any role. These qualities make them better marketers than men.

The respondents stated that this is the reason they employ sales boys and girls in their businesses. These summarized views are substantiated by the following responses:

*This business employs both men and women. Even on the informal board, we have at least three females and six males. We did this because of the special roles women play in business **(FB40)**.*

*Women can be more undeterred in commitment and have ability to convince both men and women in any role. These qualities make them better marketers than men **(FB37)**.*

*We have opened our doors to both men and women to bring in their special qualities to bear in this business. We don't allow less than one female and two males at any time on our informal board. This is because men and women differ in the roles they play in any business. This is also part of the reason we employ both sales boys and girls in our business **(FB31)**.*

*We have discovered that the characteristics that have helped men to be more tolerant to workers, customers, suppliers and government officials from the business regulatory agencies is that they are more enduring and suppressive than women **(FB15)**.*

*Ever since we included women in our formally men dominated informal board, we have noticed appreciable improvements in the financial and non-financial performance of our family business **(FB16)**.*

The respondents stated that even though family ownership structure influences financial and non-financial performance better than board structure, adopting the two structures together gives a better financial and non-financial performance than any of the structures could give when applied separately. These views are better explained by the following responses:

*We noticed improvements in the financial and non-financial performance of our family business when we adopted family ownership structure, but these improvements became more appreciable with the implementation of the board structure **(FB9)**.*

*A combination of family ownership and board structures gave us a much higher financial and non-financial performance. We realized this when we first adopted family ownership structure followed by an informal board structure. **(FB10).***

6. DISCUSSION OF THE FINDINGS

The result of the study has shown that family ownership and an informal board structure is one of the vital corporate governance mechanisms for improving the financial and non-financial performance of private family business. In addition, the informal board structure should be characterized by shareholding, CEO duality and gender diversity. These findings are consistent with previous results (Amran and Ahmad, 2011; Al-Beshtawi *et al.*, 2014; Che and Langli, 2015; Hussain and Hadi, 2017; Mansur and Tangl, 2018; Zraiq and Fadzil, 2018) and also differ in some respect from previous findings (Castillo and Wakefield, 2006; Westhead and Howorth, 2006; Sciascia and Mazzola, 2008; Ujunwa and Ugbam, 2012; Buallay *et al.*, 2017). Al-Beshtawi *et al.* (2014) established that corporate governance (ownership and board structures) enhances firms' non-financial performance, while Mansur and Tangl (2018) found that a firm can improve its financial performance by adopting ownership structure. In contrast, Fooladi and Nikzad (2011) observed that corporate governance is negatively associated with firm performance. Fallatah and Dickins (2012) investigated the relationship between corporate governance characteristics and firm performance.

The results revealed that corporate governance and firm performance are unrelated. Family ownership creates value for all the firm's shareholders in terms of improved financial and non-financial performance. This happens when the founder is the CEO and the chair of the board or when the CEO is a competent descendent of the founder (Che and Langli, 2015; Issarawornrawanich, 2015; Ponomareva and Ahlberg, 2016). Although the overlap of ownership and board chair poses governance challenges in a firm (Filatotchev and Wright, 2005) this is not so for private family firms.

The overlap of ownership and board chair (Tagiuri and Davis, 1996; Uhlaner *et al.*, 2007) in this type of businesses rely more on social/family controls such as informal get-togethers, relational norms and family culture rather than on contractual governance mechanisms such as a formal board of directors' monitoring role (Jensen and Meckling, 1976; Huse, 1993; Mustakallio *et al.*, 2002; Uhlaner *et al.*, 2007; Siebels and zu Knyphausen-Aufseß, 2012). This also suggest that firm performance is more associated with ownership structure than board structure, and much more related to family ownership and informal board structures. In most family firms, these boards are either made up of family and/or non-family members or there are no formal boards in place. When most of the board members in private family firm come from the controlling family the firm experiences enhanced performance (Esposible, 2008, as cited in Brenes *et al.* (2011); Che and Langli (2015)).

Despite the effect of board composition on firm performance (Dulewicz and Herbert, 2004; De Andres and Lopez, 2005) board diversity is important (Van and Ingley, 2003; Kang *et al.*, 2007) owing to its ability to add new ideas, insights and perspectives to board discussions (Milliken and Martins, 1996; Siciliano, 1996; Coffey and Wang, 1998; Carter *et al.*, 2003). Board diversity equally protects the interests of the stakeholders and the larger society better (Van and Ingley, 2003; Ayuso and Argandona, 2009). The involvement of women in family firms as managers and even CEOs is increasing. Their involvement varies according to the culture, city, region, country, as well as the size of the markets and firm (Alestalo, 2010).

Family firms need no larger board size like non-family firms that is made up of more outside directors from different backgrounds to monitor the opportunistic behaviour of the CEO (Fadzilah, 2017). This is because family firms can improve their decision making by having smaller board size that consists of four to six members (Gulzar and Wang, 2011). Firms with CEO duality make better decisions (Deman, 2016) and perform better than those that have these roles separated (Issarawornrawanich, 2015).

This is due to the fact that family members care for one another (i.e. altruism) therefore they tend to refrain from actions that might harm the interests of the family firm (Lubatkin *et al.*, 2007). However, this care decreases with intergenerational succession (Nordqvist *et al.*; Lubatkin *et al.*, 2005; Bammens *et al.*, 2011; De Massis *et al.*, 2013). Family businesses rely on board's monitoring when the number of family members involved in the ownership structure of the business becomes very large (Bammens *et al.*, 2008).

The higher a shareholder's ownership share in a firm, the more his ability to influence insiders in the firm to do his or her desires (Westphal and Zajac, 1995; Sur *et al.*, 2013). In family firms that are characterized by family ownership structure, the shareholders belong to the same family and significantly participate in the management, direction, and operation of the firms. As the family ownership structure shrinks or expands, the firm changes, particularly with the advent of the second and third generations. Changes initiated by a new generation can either improve or harm the business (Gulzar and Wang, 2010).

Whether the changes in ownership and/or board structure(s) will improve the non-financial and financial performance of a private family business (Al-Beshtawi *et al.*, 2014; Buallay *et al.*, 2017; Mansur and Tangl, 2018; Zraiq and Fadzil, 2018) depend largely on the family ownership structure, level of transparency employed in the conduct of the appointments, remunerations and audits. The audit report ensures that the interests of shareholders are properly protected. During appointments and remuneration, the procedures that assure transparency should be followed (Issarawornrawanich, 2015).

7. CONCLUSION

Although family ownership structure influences financial and non-financial performance better than board structure, the adoption of family ownership and informal board structures together better engenders the improvement of financial and non-financial performance. In conclusion, family ownership and board structure is one of the vital corporate governance mechanisms for improving the financial and non-financial performance of private family business.

Moreover, the board should be informally constituted with evidence of shareholding, CEO duality and gender diversity. The findings of this study will expose family members and family business founder/CEOs and/or descendant/CEOs to the import of family ownership structure in the achievement of improved financial and non-financial performance, and the necessity of an informally constituted board in private family businesses.

Existing and potential private family businesses can be made to experience increased business profit, investments and to retain controlling share in spite of the unprecedented large number of bankrupt and moribund private family businesses. This can be done by sensitizing and training family business founder/CEOs and/or descendant/CEOs on the relevance of family ownership and an informal board structure in the financial and non-financial performance of private family businesses. The generalization of the findings of this study is limited by the regional and sample scope.

Further studies should therefore consider a comparative study of two or regions or even studying the whole country. Future researchers may as well increase the sample size. Owing to the bias associated with the use of interview method, a quantitative method could be employed in the replication of the study in any other zone in Nigeria or any part of the world.

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APPENDIX

Interview Schedule

1. How conversant are you with the owners and directors in your organization?
2. Is this business owned by a family or in partnership with other individuals or families?
   i. If a family, why is it preferred to having multiple owners?
   ii. If multiple owners, what are its unique benefits to your organization?
3. In which of this family business growth stage [founder(s), siblings and cousins] will you classify your business?
4. In your board of directors, do you have an equal number of family and non-family members?
   i. If yes, what are the reason(s) behind the all-family-members board composition?
   ii. If no, why were the non-family members co-opted into the board?
5. How many directors are on the board of your organization and why did the organization settle for that number?
6. Does any person or group have overriding decision making power in the board of directors?
7. Tell me about shareholding in your organization.
8. Does the CEO of your organization double as the chairman of the board of directors?
   i. If yes, what were the perceived reason(s) behind the CEO duality?
   ii. If no, what informed the separation of the roles?
9. Does the board of directors form committees to carry out some of its functions?
   i. In specific terms, what are the names of these committees?
   ii. What are the responsibilities of these committees?
   iii. How frequently do the committees meet?
10. Is the board of directors in your organization gender diverse?
    i. If yes, how many males and females are on the board?
    ii. If no, what is the gender of members of the board and why is it so composed?
    iii. What are the unique contributions of each gender to the board and the organization at large?
11. What is your take on the contributions of the family or multiple ownership and board structures to the financial performance (e.g., profits, investments, assets and sales) and non-financial performance (e.g., family social capital, family/business culture, commitment, survival, embeddedness, reputation,

sustainability, customer's satisfaction and customer's referral rates, delivery time, waiting time and employee's turnover) of your organization?

i. Do you agree that the adoption of only the ownership structure enhanced the financial and/or non-financial performance of your organization?

ii. Do you agree that the adoption of only the board structure enhanced the financial and/or non-financial performance of your organization?

iii. Do you agree that the adoption of both the ownership and board structures enhanced the financial and non-financial performance of your organization?