FAMILY CULTURAL PATTERNS AND BUSINESS INNOVATIVENESS IN A DEVELOPING ECONOMY

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ABSTRACT

The economic history of most businesses from the developed world to the developing world can be traced to the inception of family businesses. Family businesses are firms in which multiple generations of a family, related by blood, marriage or adoption influence the decision-making, the vision and the disposition to use their ability to pursue the family goals. Every family has a cultural pattern that influences their activities which can either promote or hinder innovativeness in family businesses. Thus, this study investigates the influence of family cultural patterns on the business innovativeness in Abuja, Nigeria. Three patterns of culture were discussed: bureaucratic, clan and market cultures while three research questions were raised. A sample of 168 respondents was drawn employing a simple random sampling technique. The descriptive and inferential statistics were used for data analysis. The findings indicated that bureaucratic and clan culture are negatively and significantly related to innovativeness while market culture is positively and significantly related to family businesses innovativeness. It is therefore recommended that family businesses should adapt or co-opt entrepreneurial culture into their existing culture for innovativeness that will consequently lead to survival and growth.

Keywords: Cultural patterns, Developing economies, entrepreneurial culture, family business, innovation.

1. INTRODUCTION

Family business is an emerging field of research that is capturing increased attention of scholars (Chrisman, Chua, Kellermanns, Matherne & Debicki, 2008; Bernavides-Velasco, Quintana-Garcia & Couzzinam-Parra, 2013) in the past two decades. The economic history of most businesses, from the developed world to the developing world, can be traced to the inception of family businesses. Each family has an origin that can be traced from the Stone Age, agrarian time till date. For instance in Nigeria, different families are known for different products and services such as some families are known for herbal treatment (*Babalawo*), some are warriors (*balogun*), drummers (*alubata*), craft workers (*onise owo*), mat makers *(eleni),* weavers of textiles (*aunso*), subsistence farmers (*agbe abe ile*) and cash agricultural products farmers (*agbe alada nla*) and so on (Adeyeye, 2018). While these were for the sustainability of the families which consequently developed into trade by barter and consequently the basis for modern business where money becomes the means of exchange. These families' activities, though started locally, are still in existent, some maintained their heritage, and others are restructured while some introduced purely modern businesses but all of them are referred to as 'family businesses'.

However, there is still lack of consensus on the global definition of family businesses (Chrisman *et al*., 2008; Bernavides-Velasco *et al*., 2013), perhaps due to the different socio-cultural backgrounds that are context-based. Therefore, family businesses can remotely be described as the business concerns in which members of a nuclear or extended family are majority shareholders. They may also include various combinations such as husband(s) and wife(ves), children, parents, cousins, extended family members, two or more generations in the form of employees, stakeholders, partners, board members and so on (Lannarelli & Bianco, 2010). They are businesses in which multiple generations of a family, related by blood, marriage or adoption influence the decision-making, the vision and the disposition to use their ability to pursue the family goals (*De Massis, Kotlar, Chua & Chrisman (2014).* Each family has its long standing culture and thus transformed to become the administrative style of the business which has the inclination to or not to promote innovative initiatives. As innovation is the core of entrepreneurship, a family firm that does not innovate will remain stunted, decline and eventually die (Kuratko & Hodgett, 2009; Adeyeye, 2018) especially in this competitive era hence innovation should be integrated to the organisational or family culture.

Culture is the way of thinking and understanding during a process of judgment, evaluation and obedience and prescribed way of dealing with others (Bennett, 2015). With particular reference to family businesses, it is affirmed that some characteristics of the family promote the ability to innovate and the propensity for risks taking (Zahra, 2003). In other studies, on the contrary, it is argued that the typical culture of the family businesses may hinder the implementation of change processes. There are different cultural patterns according to different authors such as Dyer (1998), Hofstede (1998), Kets De Vries (2009) and others. However, this study focusses on Helriegel, Slocum and Jackson (1999) cultural patterns of bureaucratic, clan, market and latest form of the entrepreneurial culture (Stokes, Wilson & Mador, 2010; Morris, Kuratko & Covin, 2012) of the uniqueness for exploration in innovation as most family cultures studies have not focussed on them.

This study is posited on Schumpeter's theory of innovation since innovation is key to survival of any business including family businesses. Innovation is the introduction of new or improved products/services, processes, sources of raw materials or opening of a new market (Schumpeter, 1934). It is imperative that family businesses innovate in order to remain in business and grow. Studies on family businesses especially in the Nigerian perspective will certainly facilitate family business growth and sustenance. Previous authors on family businesses have examined family culture and corporate governance (Siebels & Kynphausen-Aufseb (2011); trends in family businesses (Bernavides-Velasco *et al.*, 2013); organisation culture and family business performance (Laforet, 2016); internationalisation and entrepreneurial Orientation and family character (Alayo, Maseda, Iturailde & Arzubiaga, 2019) and others. This creates some knowledge gap in the literature on family business innovativeness and cultural patterns especially in Nigeria. Thence, building on previous research, this study examines the influence of family cultural patterns on business innovativeness in Abuja, Nigeria, a developing economy**.** It is expected that the study will contribute significantly and originally to literature on entrepreneurship, culture and family businesses in developing economies. In doing this, it attempted to answer the following research questions:

1. Does bureaucratic cultural pattern have any effect on the family businesses innovativeness?
2. What is the relationship between clan cultural pattern and the family businesses innovativeness?

3. To what extent does market cultural pattern influence the family businesses innovativeness?

This paper is structured in the following order: A review of the literature on family businesses and cultural patterns and the research methodology, the data analysis result and discussions, and finally, the conclusion and recommendations for practice and policy making.

2.0 LITERATURE REVIEW

Concept of family business and the significance of family businesses to the economy

A firm is family-owned if its board and management team are dominated by the siblings of a particular family either nuclear or extended (Carlock, Randel, DeVries & Elizabeth, 2007) or an individual is the controlling shareholder, that is, a person who garners enough share to assume at least 25% of the voting right which should be the highest in comparison to the other shareholders of the firm (Carlock *et al.*, 2007). Family businesses are important sources of national economic development and growth (Carlock, *et al*., 2007). The vast majority of businesses throughout the world, from corner shops to multinational publicly listed firms with units, hundreds and thousands of employees, can be considered as family businesses (Carlock, *et al.*, 2007) now or historically at inception. Family businesses are perceived the oldest and most common model of economic organisation (La Porta, Lopez-de-Salines & Shliefer, 1999).

In Nigeria, the phrase family business casts a mental picture of a small supermarket (*ile itaja*), nursery and primary schools (*ile iwe)*, barbing salons (*agerun*), artisans *(oniseowo*), traditional occupations like drummers (*alubata*), herbalists*(Babalawo*), shea-butter producers (*Olori*), groundnut cake (*Kulikuli*) makers, hides and skin producers (*onise awo*), tye and dye textile producers (*aladire*), bead makers (*onileke*) etc. that remain small (Meggison, Byrd & Meggison, 2003). Timmons and Spinelli (2009) are of the view that families do not look and act entrepreneurially simply because of the main focus on serving local markets, sustaining the family's lifestyle, provide outlet for family investment and jobs and careers for family members (Glueck, 1980). However, in recent times, the entrepreneurial awareness, technological advancement as well as globalization have overtaken such prejudice in some family firms. For instance, Koscharis, Mike Adenuga, Dantata, Otedola, Folawiyo, Michael

Ibru and Dangote group of companies are some of the successful family businesses in Nigeria. In this twenty-first century, innovative family businesses have emerged as the new approach to replace the conventional family business models in developing economies of the world.

Worldwide, these firms are the predominant forms of business realizing about 40-60% of gross national products and 35- 70% of job creation (Van Gils *et al.,* 2009). For example, in the United Kingdom, family firms are perceived to be the strength of the economy because more than 65% of enterprises (about 3 million) are family businesses. In other words, more than three in five of all private sector enterprises are family businesses. They employed about 9.2 million people which accounted for a ratio of two to five of all private sector jobs and their contributions to the GDP are immense. For instance, USA is 57%, UK is 23.8% while Canada is 60% (Innovation and Skills survey, 2011; Laforet, 2016). These figures are comparable in many other developed countries as well as the developing economies.

In Nigeria, though it is difficult to obtain the exact and comparable figures on family businesses, it is obvious that their role is equally as important in the economy as it often offers the only realistic prospects for creating additional employment, contributing to the GDP and the exchequer via tax. In tune with the latest development in the world economy and attendant globalization effects, the roles of family businesses, going forward, is bound to be greater and more pervasive with demonstrable impact on the emerging world trading order. Nevertheless, Van Gils *et al.* (2009) reported that 30% of family businesses survive to the second generation, and only 10% survive successfully to the third generation, the rest either are sold or wound-up. Moreover, many family firms are small and they often fail in the first year because of lack of propensity for growth (Carland, Hoy, Bouton & Carland, 1984; Kuratko & Hodgett, 2009) which may not be far from the cultural patterns employed. A firm's ability to innovate is one of the key capabilities to survival, growth and competitive advantage in the twenty-first century (Morris *et al.,* 2012). However, the cultural pattern of the family is extended to the family business is very crucial to the innovativeness.

Family Culture Concept

Family culture is the set of values that are shared by people in a group with a tendency to continue over time even when group membership changes (Kotter & Heskett, 1992) maybe by marriage or mobility from the immediate environment or demise. A family culture like any culture is the basic beliefs and unique pattern of shared assumptions, values and norms about what the family is about, how members should behave, and how it defines itself in relationship to its external environment (Morris, Kuratko & Covin, 2012) where businesses are transacted. Family cultures have certain common features irrespective of the type of venture being undertaken (Trice & Beyer, 1993). First, it is the collective nature of the culture being shared by most members as distinctive from other families. Second, family members are emotionally attached to the identity and definitions of the culture. Third, it exposes the historical background of a particular family due to a process of interactions. Finally, it is dynamic because of its subjectivity to continuous change from one generation to another, based on the interactive development in the external environment (Trice & Beyer, 1993). These attributes contributes to the uniqueness of family business cultural patterns and their degree of response to innovation (Tian, Deng, Zhang & Salmador, 2018).

Family culture can also be described as a way family members take decisions, resolve conflicts and differences, express emotions, and understand reality, separation and losses (Kepner, 2004), share success, act and react to opportunities. Family culture is defined by these factors: *artefacts, values, perspectives, and assumptions* (Dyer, 1998; Sharpe, 2014). *Artefacts* are the surface-level aspects of culture, which can be categorized as *physical* (i.e. type of dresses, cars, company logo, and other emblems used by families); *verbal* (language, jargon, stories etc.); and *behavioural* (ceremonies etc.). Also, *values* are broad tendencies, principles, standards and norms that determine what an individual considers to be good or bad (Hoy & Sharma, 2010); they are 'forces' that drive behaviour (Koiranen, 2002; Sharpe, 2014). Next is *perspective,* a synchronized set of ideas and actions used by family members in dealing with different problematic situation (Becker, Geer, Hughes, & Strauss, 1961) and complex decision-making. Lastly, *assumptions,* the premises on which a family bases its global views and on which the artefacts, values and perspectives are based (Dyer, 1998). All these elements have implications for family cultural patterns responsiveness to innovativeness in business.

Dumas and Blodgett (1999) analysed 50 family business mission statements and identified these values: quality, commitment, trust, social responsibility, honesty, fairness, respect and integrity. These basic elements affect the way family members accept responsibility, respect for authority, believe in leadership, freedom of speech, bring and accept suggestions, get committed to the vision and mission of the family business and so on. If these culture are actually in the family, it will affect the family business structure and relationship as they work together as a team to make the family business grow. There are different types of cultural patterns as postulated by various authors such as Hofstede (1998), Dyer (1998), Hellriegel *et al*., (1999), Kets De Vries (2009) and Morris *et a*l., (2012).

Different Cultural Patterns

Family cultural features and relationships create a pattern that is unique to each family just as individuals are distinguished by their personality. Culture is dynamic as it provides strategies for creation, recreation, interpretation and analysis of systems (Natasi, Arora & Varjas, (2017). It is the perceived total ways of life of a group of people (Bennett, 2015). A firm's culture influences thoughts, feelings and guides behaviours of the individuals that make up the organisation by allowing decision-making responsibility and role-taking opportunities in the businesses. Poor family business culture is one of the impediments to businesses innovativeness and a business void of innovation cannot grow (Kuratko, 2013).

Family cultural patterns are categorized differently by various authors. For example, Hofstede (1998) classified family business cultures by comparing the degree of individualism versus collectivism, the tendency towards uncertainty avoidance, the bias between masculinity and femininity and the apparent power-distance metric. For instance if they are averse to uncertainties in their culture, taking risk may be difficult. Innovation entails risk-taking, hence the culture may not easily cooperate with innovation. Furthermore, Dyer (1998) identified four different cultures: the paternalistic culture, laissez-faire; participative and professional culture. In addition, Kets De Vries (2009) identified five cultural patterns that are directly related to the family business. An avoidance culture; charismatic culture; paranoid culture; bureaucratic and the politicized culture.

Hellriegel et al. (1999) identified the bureaucratic, Clan, Market and Entrepreneurial culture which are not commonly found in previous studies, and however argued that different cultures are appropriate under different situation. In a culturally homogeneous family firm, one of these may be predominant but sometimes a multiple cultural pattern could subsist to enhance a competitive advantage. The cultural patterns are discussed below.

Bureaucratic Family Culture

Bureaucratic family culture values are placed on formalization, hierarchical coordination, rules and standard operating procedures. Such family businesses are conscious of efficiency, predictability and stability. Responsibilities, tasks and authority are evidently defined and spelt out in the manuals. Employees 'go by the book' and follow legalistic procedures (Hellriegel *et al.,* (1999). It gave no room for mistakes and experimenting as new ideas are tagged 'waste of resources'. Often, most members of the family are afraid to make contributions because the patriarchs or matriarchs have the final say (Schulze & Gedajlovic, 2010). This implies that bureaucracy possesses a distant link to innovation.

Clan Family Culture

These are the historical culture in families where actions are regulated by tradition, norms, shared values, rituals, loyalty, extensive socialization, teamwork, personal commitment and self-management as social influence and perceived characteristics (*Morris et al.,* 2012). The members' obligation is beyond exchange of labour for salary. Personal commitment and loyalty leads to members' security as members shared the picture of organisational style and ways of conduct. Long-time members serve as mentors and role models for new comers. Emotional intelligence is strong, thereby enhancing team trust; and subsequently, innovation can be encouraged (Tian *et al.*, 2018). The clan is aware of its unique history, origin and celebrates its traditions in diverse rites (Hellriegel *et al.*, 1999). Members share pride in membership and feelings of ownership. In this type of culture members are often contented with their vision and may not generate risk-taking behaviour and innovativeness because of the competing norms of family system (Fiegener, 2010).

Market Family Culture

The market-oriented family culture values independence and individuality, thereby encouraging members to pursue personal financial goals according to the market demand for their products/services and by so doing help each other. It places more values on achievement of measurable and demanding goals that are financially and market-oriented (Hellriegel *et al.*, 1999). It is a combination of family-owned and selfowned businesses (Fiegener, 2010). Thus, hard-driving, profit-orientation and competitiveness and less informality is prevalent. Though members do not share common set of expectations and team work. Elders are not judged on their effectiveness as role models or mentors. Such family firms rarely grow because they are only interested in maintaining the family name for personal enrichment and usually influenced by external environment (Tian *et al*., 2018). It is not a cohesive firm because individuals' goals supersedes the family corporate goals. Innovation may not be paramount to this firm and where there is, it is kept away from the purview of the family firm team, hence they apparently remain small (Carland *et al,* 1984, Tian *et al*., 2018). This culture encourages a personal expression of anyone that desires to keep the family legacy from ultimate collapse especially when family involvement seems minimal. Creativity and innovation is not the primary goal because market culture is more reactive environmental dictate while innovation is proactive.

Entrepreneurial Family Culture

Entrepreneurial culture is one of the recent dynamic culture. Such family firms are organic and are attributed to high-level of risk taking, dynamism, experimentation, adaptiveness, tolerance of failure, innovativeness and competitiveness (Stokes, Wilson & Mador, 2010). They are not contented with remaining small but encourage individual's initiative, flexibility in providing new and unique product/service on the leading edge. It gives little or no attention to bureaucracy as it encourages informality, trial and error, rewards innovation and team work. Such is Microsoft, Intel and Rostrum in United States of America (Morris *et al.,* 2012) Dangote, Bigi-Cola and a host of others in Nigeria (Wale-Oshinowo, 2017) that adopted, co-opted and adapted this entrepreneurial cultural pattern. Since family firms have original culture, entrepreneurial culture are often adapted, co-opted or adopted into existing family cultural pattern.

In short, a family culture can be weak or strong. In the strong culture, family members serve as example of the ideal attitude towards work while in weak cultures, others outside will have to serve as the reference point since the clues are not given by the family (Chakrabarty, 2009). Either a weak or strong culture, any culture that encourages creativity and innovation has the tendency to grow and preserve the family business for continuity and succession. Sometimes the strong and weak tendencies in the cultural patterns has resulted into most of the indigenous family businesses in a developing economy not to be adaptive thence remaining stunted and small.

Schumpeter Theory of innovation

Innovation is the mainstay of any business success, survival and growth. It "is the implementation of a new or significantly improved product (good or services), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations" (OECD, 2005:46). Schumpeter (1934) theory of entrepreneurship was proposed economic innovation model for large organisation during the industrial revolution since large firms were the economic focus of the time. On the contrary, in contemporary times, there is a shift towards SMEs (Wennekers & Thurik, 1999) and applicable theories. His theory assumed that firm opportunities for external growth has no constraints as long as they can combine their unique resources to exploit opportunities (Barney, 2001). Schumpeter disputed, that such firm 'initiates change and generates new opportunities for commercial exploitation'. Even if markets are in equilibrium, the entrepreneurial acumen, combined with the lure for profits and advancing knowledge and technology, will destroy the equilibrium eventually. This assertion is seemingly the most referred to as Schumpeter's "Creative Destruction" (Acs, 2002:12). Schumpeter (1934:132), defined innovation as the 'exploitation of a profitable opportunity' and rephrased it in 1939 as the 'setting up of new production functions' or 'carrying out new combinations'. He identified five dimensions of innovation by an entrepreneur in reforming or revolutionizing 'the pattern of production by exploiting an invention or untried technology' as the introduction of new or improved products/services, a new or improved process of production/service, the opening of new market, new source of raw materials and new ways of organising an industry (Carland *et al.*, 1984; Adeyeye *et al.*, 2018). These dimensions are the measures of innovativeness for the family firms in this study. Family firms need to key into any of these dimensions to become innovative.

Link between Innovation and Family Businesses Cultural Patterns

Researchers such as Kuratko and Hodgett, (2009), Urbancova (2013) and Adeyeye (2016) established that innovation is a key constituent to success and sustainability of any organisation including family businesses. It is the introduction of or the modification of existing product or service of a firm to bring about a new, unique and different ones from those existing in the market (Schumpeter, 1934). The cultural pattern is an important distinctive of family businesses (Astrachan *et al*., 2002 & Klein *et al.,* 2005) as it affects the operational involvement, value and control of the firm. Firm growth and sustainability in today's economy is positively related to the extent a firm can innovate. Entrepreneurial businesses are job creators, wealth generators, change agents and economy pillars. Organisational success is determined by its level of innovation (Urbancova, 2013). Therefore, family businesses relevance, survival and growth are dependent on their propensity to key into any dimension of the Schumpeterian innovation theory. This can be expedited through invention, extension, duplication or synthesising of their products/services (Adeyeye & Bamidele, 2015). The inclusion of innovativeness as one of the family business cores is essential. The cultural pattern needs to be entrepreneurial for active contribution to the economy. In reality, the family firms' risks becoming extinct in the fast changing market if unable to brace up for innovativeness. The family's personalized style of operating their firm lends itself to setting the culture of the firm through familiar goals and values (Dyer, 2003) that could lead to success stories of salutary effects, positive contributions to industrial development, technological innovations and export promotions efficiency and global exchange of ideas (GEM, 2018). These innovative family businesses improve economies and people's lives by creating jobs not only for family members, solve plaguing problems (GEM, 2018). They contribute to the strengthening of industrial linkage and integration, aside employment generation (Timmons & Spinelli, 2009). Family businesses serve as the brain behind innovation, the heart behind local philanthropy and the nerve system of the developed and developing economies and the entire free enterprise system. In view of the foregoing literature, the following null hypotheses were developed for testing:

Ho_1: There is no significant relationship between bureaucratic cultural pattern and family business innovativeness in a developing economy.

Ho_2: There is no significant relationship between clan cultural pattern and family business innovativeness in a developing economy.

Ho_3: There is no significant relationship between the market cultural pattern and family business innovativeness in a developing economy.

METHODOLOGY

The study adopted a survey research design. The target population was 507 family Small and Medium scale enterprises in Abuja that registered with the Corporate Affairs Commission (CAC) which is the sampling frame for the study. Abuja is the Federal

Capital Territory of Nigeria. It has the highest representation of every indices of Nigeria apart from Lagos. It is the national seat of commerce and politics therefore most families settle there for business and Abuja has been rated as the African fastest developing capital. Taro Yamane (1967) formulae was used to determine the sample size of 168. A Simple random probability sampling technique was adopted to guarantee that each of the respondents have an equivalent possibility of being selected and hence maintain a distance from a one-sided result. A structured questionnaire on Likert scale of 5 from "Strongly Agreed' (SA), 'Agree' (A), 'Undecided' (U), 'Disagree' (D) to 'Strongly Disagree' (SD) was used to elicit information. The items to measure the variables were adapted from previous authors (such as Wale–Oshinowo, (2017), Naranjo-Valencia, Jimenez-Jimenez & Sanz-Valle, (2016), Morris et. al. (2012), Hellregiel et al (1999), & Schumpeter, 1934). There were five sections: Bio-data, Independent variables: bureaucratic culture, clan culture, market culture and dependent variable: innovativeness. The adapted structured questionnaire was taken to five experts for face, content and construct validity and their inputs were appropriately implemented. Furthermore, split-half test was conducted with 20 respondents as pilot study as well as the reliability test. The Pearson-Moment Coefficient result was .87 while the Chronbac Alpha coefficient for the internal reliability was .80, depicting a high level of reliability index. Hence, it is concluded that the instrument is reliable for the study. The unit of analysis was at the firm level. The analysis were conducted using descriptive and inferential statistics.

RESULTS AND DISCUSSION

Profile of Sampled Family Businesses

The 168 questionnaires were adequately filled, returned and descriptively analysed. The analysis revealed that more than 70% of the firms have existed for more than 20years while the remaining 30% were below 20years. 78.3% have less than 10 staff which means they were micro firms while 21. 7% had more than 10 staff members when other branches were added.

Relationship between Cultural Pattern and Family Innovativeness

Pearson-Moment Correlation was used to determine the strength of relationship between the dependent and independent variables.

Table 1: Correlation Coefficient Results between Innovation and Family businesses

Variables	1	2	3	4
Innovation	1			
Bureaucratic	-.499*	1		
Clan	-.411*	.634*	1	
Market	.534**	.356*	.426**	1

**, * Correlation is significant at the 0.01, 0.05 level (2-tailed) respectively.

Table 1 presents the correlation coefficients results between the dependent (innovation) and independent variables (Bureaucratic, clan and market cultural patterns). Preliminary analyses were performed to ensure no violation of assumptions of normality, linearity and homoscedasticity. Bureaucratic and clan cultures were strong, negative and significantly related to innovation (-49.9%; -41.1%) respectively at $p<0.05$. Thus, there is a significant negative correlation between innovation and bureaucratic and clan culture. That is, the more the bureaucratic and clan cultural patterns were operated, the less the family firms were able to demonstrate their entrepreneurial behaviour of innovativeness. Furthermore, the strength of relationship between the market culture is strong, positive and significant related to innovation (53.4%) at $p<0.05$. This implied that the higher the market cultural pattern influence despite its limitations, the more they would be able to create a structure that could eventually accommodate innovativeness in family businesses.

Multiple linear regression was utilized to gauge the direct connection between independent and dependent variables and the result obtained is as follows:

Table 2: Model summary of the regression analysis result

Model	R	R Square	Adjusted R Square	Std Error of the estimate	F Change	Sig. F Change
1	.586[a]	.573	.572	.32515	447.064	.000

Predictors: (Constant), Bureaucratic, Clan & Market

Table 2 showed that the whole model indicated a significant relationship as the measure of the fit of the model has provided by the multiple correlation coefficient, R, is 58%, suggesting a solid direct connection between bureaucratic, clan and market and innovative family businesses in Nigeria. The value of R^2, 57.3% is the proportion of the variability of the predicted variable accounted for by the explanatory variables in this model which is satisfactory. The F-value is 447.064 at P< 0.05 indicating a good fit.

Table 3: The Regression coefficients result

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
	B	Std. Error	Beta		
(Constant)	31,076	.983		31,605	.000
Bureaucratic	-.592	-.140	-.209	-4.271	.000
Clan	-.149	-.108	- .056	-1.438	.000
Market	.641	.062	.491	10.411	.000

a. Dependent Variable: Innovation. b. bureaucratic, clan. market

Source: Authors, (2019)

Table 3 shows that the three null hypotheses were significant at P<.0.05 and thereby rejected, nevertheless, bureaucratic and clan cultural patterns have a significant negative relationship with innovation at P<.0.05. The result of the first variable revealed that the bureaucratic family cultural pattern has a statistical significant but negative effect on family business innovativeness. Whilst the second variable, clan cultural pattern equally has a statistical negative and significant effect on family business innovativeness but lower than bureaucratic cultural pattern. This suggests an inverse relationship between bureaucratic and clan cultural patterns and innovativeness of family businesses showing as discouragement to innovation. The more these cultures are prevalent in family businesses, the less they are able to maximise their innovative tendencies. The less these cultures are prominent, the more they are able to innovate. This results is in consonance with Dyer (1998) that asserted on the influence of a firm's culture on behaviours that allows decision-making responsibility and role-taking opportunities as it affects various forms of innovative practices. When a firm is too rigid, formal and hierarchically conscious like a bureaucratically directed family business organisation, innovativeness will be difficult or impossible. Whilst existing practices can provide stability, they can also resist changes and innovation by the experiences and social-political status quo directly associated with key employees within the organisation (Bruch & Vogel, 2004).

Based on Schumpeter (1934) theory of innovation, that is, the introduction of new or improved product/service, process, market or sources of raw materials (Carland *et al.*, 1984), firms that are not updated in any of these will go extinct. Adeyeye (2018) asserted that innovation is deviation from the norm to different and unique activities that can raise the standard of living of the masses. Many traditional firms in Abuja Federal Capital territory embraced the clan cultural pattern for their operations and artefacts, hence they remain small. Clan culture will find it challenging to deviate from norm and tradition of the family to endorse innovation thence innovation is perceived as an alien to the family culture. Family business leaders should endeavour to break from and challenge existing practices and traditions, allow inputs from young and innovative individuals and also pursue new strategic innovative directions.

The third hypothesis also was rejected, thus, the market culture is significantly and positively related to innovation. In other words, the more the market culture is encouraged, the more the tendency to demonstrate the innovativeness in the family businesses. Perhaps, it might be due to its level of independence and flexibility (Hellriegel *et al.* (1999). This implies that a flexible family business culture can be adaptive to innovation, hence the more flexible and informal the family business culture is, the easier the possibilities to innovate. However, there is likelihood to the extent to which such family businesses can grow due to the individualism approach of the market culture and over-dependence on external factors influence (Tian *et al.*, 2018). As Dyer (1998) noted that family business cultures can either contribute to success or be a major stumbling block. The identification and exploitation of opportunities inherent in family businesses are often restrained by the cultural patterns. Family businesses leaders who wish to ensure the continuity of the businesses and well-being of the families must be willing to come out of the conventional cultures and be relevant through innovativeness in this 21st century. Hellriegel *et al.* (1999) and Morris *et al.* (2012) therefore corroborated that firms should adopt more than one cultural pattern for relevance in the society, continuity, growth and succession. The creation of a climate that supports entrepreneurial culture by motivating team work rather than individualism, encouraging informality, trial and error, tolerance of failure, reward for innovation, involvement of every family members and staff in creativity and innovation and the likes, added to the existing cultural pattern will foster innovativeness in the family businesses.

CONCLUSION AND RECOMMENDATIONS

The study examined the relationship between family cultural patterns and innovativeness in a developing economy. Bureaucratic, clan and market cultural patterns were investigated. Family businesses are very significant in every economy as they contribute immensely to the GDP, employment generation and so on. Family businesses cultural patterns play essential roles in determining the continuity of the businesses after the first generation. The study concluded that bureaucratic and clan cultural patterns are negatively and significantly related to innovativeness of the family businesses. Market culture is positively and significantly associated to innovativeness but in a limited way, hence, the need to co-opt the entrepreneurial cultural pattern to the existing family culture for optimal innovativeness.

In view of the conclusion, the following recommendations are made.

- Enlightened family members especially the younger generations should communicate to the older generations on the prospects of family businesses through improved cultural patterns.
- Family businesses researchers should organise workshops to educate family firms'owners on the methods of inculcating and integrating entrepreneurial culture into their cultural patterns and factors.
- The Small and medium Enterprise Development Agency of Nigeria (SMEDAN) should carve a niche for family businesses to train, counsel and offer grants for innovation where necessary.
- Family Business Associations of Nigeria (FBAN) should organise regular training and invite successful family business owners to share their success stories as a motivation for those that are glued to their old cultural ways of doing things so that they can change.

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