ENTREPRENEURIAL ORIENTATION AND SUSTAINABLE GROWTH OF FAMILY BUSINESSES IN DELTA STATE: THE ADDITIONAL PREDICTIVE ROLE OF BUSINESS POLICY

OJOGBO LEONARD UNODIMMA Ph.D
Department of Business Administration,
University of Delta, Agbor, Delta State, Nigeria.
Email: leonard.ojogbo@unidel.edu.ng

Abstract
Family businesses play a significant role in employment generation, wealth creation, and economic development in Nigeria but are confronted with challenges such as poor governance, lack of innovation, inadequate succession planning, and growing uncertainty in business matters. This paper evaluated the effect of Entrepreneurial Orientation on the Sustainable Growth of Family Businesses in Nigeria's Delta State while examining the additional predictive contribution of Business Policy. A descriptive cross-sectional design was used, and a sample of two hundred and two participants selected through convenient sampling was surveyed. The study was conducted among Owners, Managers, and key Staff from Family Businesses representing seven business sectors in the State. The study used Descriptive statistics, Pearson's Product Moment Correlation and Hierarchical Multiple Regression Analysis using SPSS Version 28 to analyze the data. The analysis revealed that Innovativeness, $r= 0.732$, Risk-Taking, $r= 0.613$ and Proactiveness, $r= 0.689$ each demonstrated a positive and significant relationship with Sustainable Growth at $p< 0.001$ level. Business Policy significantly improved the explanatory power of Entrepreneurial Orientation in predicting Sustainable Growth by 0.158 units at $p< 0.001$ level. There was a positive relationship between Sustainable Growth of Family Businesses in Nigeria's Delta State and Entrepreneurial Orientation ($\beta=0.629$, $p<0.001$). This study concludes that Entrepreneurial Orientation has a positive effect on the Sustainable Growth of Family Businesses while examining the additional predictive contribution of Business Policy. This study concludes that Entrepreneurial Orientation positively influences Sustainable Growth, while Business Policy provides additional explanatory power in predicting Sustainable Growth.

Keywords: *Entrepreneurial Orientation; Business Policy; Sustainable Growth; Family Businesses; Delta State Innovativeness; Risk-Taking; Proactiveness.*

Introduction

Family business has become one of the most widespread organizational forms in the world, being one of the sources of employment, income, innovations, and sustainable development. Such firms constitute the majority of enterprises in most countries, being part of the gross domestic product of a country and the key to its entrepreneurship, industrialization, and community development. They focus on long-term objectives and are willing to sacrifice for the business's growth, making them different from non-family businesses and key drivers of economic growth (Kiyabo & Isaga, 2020; Hernández-Linares & López-Fernández, 2020).

In Nigeria, family businesses are the primary family business ownership in the Small and Medium Enterprises (SMEs) sector, playing a critical role in employment generation, local production, entrepreneurial promotion, and national economic development. These businesses operate from the agricultural sector, manufacturing industries, construction firms, educational institutions, hotels and restaurants, transport networks, wholesale and retail trades, and banking sectors. Although these businesses have had a significant impact on the country's economy, they present a significant percentage of failures due to poor succession strategies, governance structures, and strategic positioning among family business owners (Kiyabo & Isaga, 2020). Delta is one of the states in Nigeria with a thriving market center because of the state's commercial hub, growing cities, agricultural produce, industries, and petrochemicals. Family businesses own most of the commercial properties in major commercial cities like Asaba, Warri, Sapele, Agbor, Ughelli, Ozoro, and Oleh, contributing significantly to employment and internally generated revenue. However, the family business owners face many challenges, including inflation, exchange rates, high production costs, inadequate infrastructure, multiple taxation, insecurity, and stiff competition, which hinder their ability to maximize profit margins and resist the urge for strategic capabilities that increase organizational fitness (Kiyabo & Isaga, 2020; Campopiano et al., 2020).

In addition, Brain drain is another significant challenge family businesses face, especially in Nigeria. Talented, skilled individuals, professionals, and entrepreneurs are relocating from Nigeria to other developed countries in search of better working conditions, advanced technology, better salaries and wages, and improved working conditions generally, commonly referred to as JAPA syndrome. This migration of skilled and experienced workers from Nigeria creates a challenge in sustaining the flow of experienced workers in specialized fields and causes succession planning and high labor costs in many family businesses. Thus, many family-owned businesses in Nigeria are unable to meet the demands of a dynamic business environment, putting their operations, sustainability, and growth at risk (Nugroho et al., 2020).

Many organizations have been forced to reposition and develop strategic capabilities that allow them to scan their environment for potential investment opportunities, develop new products and services, and make strategic moves to withstand the test of time. The concept of Entrepreneurial Orientation (EO) has been extensively considered in entrepreneurship and strategic management literature as a crucial strategic capability for organizational survival and growth. EO is described as the entrepreneurial attitude that enhances a firm's competencies in terms of innovativeness, risk-taking, and proactiveness, promoting organizational performance and competitive advantage (Lumpkin & Dess, 1996; Kiyabo & Isaga, 2020).

Innovativeness is a key entrepreneurial competency that facilitates the development and enhancement of organizational process of producing goods and services, adopting new technologies, and generating creative ideas. Risk-taking capacity determines the amount of resources that a firm is ready to invest in the face of uncertainty, and it reflects management's willingness to pursue opportunities with a given level of risk. Proactiveness is characterized by the firm's readiness to recognize emerging opportunities and take action before competitors do. Firms that exhibit high levels of entrepreneurial competency tend to have enhanced organizational learning processes and achieve sustainable competitive advantage over time (Campopiano et al., 2020; Visser & Van Scheers, 2020).

Although EO presents strategic capabilities that family business owners may use to enhance organizational growth, it is not sufficient on its own for achieving sustainable growth. Organizations must have the appropriate Business Policy that promotes competitive advantage and guides the execution of initiatives taken to meet organizational goals. Business Policy can be described as a set of formal rules and systems in an organization that promote strategy formulation and implementation processes, organizational structure, governance policies, succession planning, and general business rules that regulate and control business activities. Business Policy encourages effective resource allocation without causing any conflicts in the organization, therefore, improving performance (Kallmuenzer et al., 2018; Nugroho et al., 2020).

Sustainable Growth is a concept that implies that apart from the generation of maximum profits, it is essential to focus on increasing revenues, creating employment, acquiring new customers, and enhancing the organization's competitiveness while sustaining its competitive advantage. Firms that possess the strategic capability to use entrepreneurial policies and implement business policies effectively are likely to achieve long-term growth because the business policies provide the framework that guides the exploitation of entrepreneurial initiatives for achieving organizational objectives (Kiyabo & Isaga, 2020; Campopiano et al., 2020). Despite the significance of EO and Business Policies in promoting Sustainable Growth, previous studies have documented the mediating role of Business Policy in family business in Delta State is limited. Previous research has focused on illustrating the relationship between EO and organizational performance without considering the role of business policy in influencing that relationship.

Hence, the study will contribute to the existing literature by demonstrating how Business Policy mediates the relationship between EO and Sustainable Growth in family businesses in Nigeria's Delta State (Kiyabo & Isaga, 2020).

Statement of the Problem

Family owned businesses account for a large percentage of small and medium enterprises in the state of Delta. Such businesses are of great importance as they contribute to job creation, generate revenues, reduce poverty levels and therefore promote overall economic growth of the region. However, the family businesses have several challenges which include poor management, lack of innovation, inadequate succession planning as well as weaknesses in the family business governance. The unstable business environment in Nigeria, coupled with inflation, exchange rate problems, multiple taxation, lack of infrastructure, rising operational costs and policy inconsistency also affects the ability of these businesses to grow, generate profits and remain competitive. The outbrain syndrome – the JAPA syndrome has also created a challenge in terms of lack of skilled manpower. Due to challenges family businesses in Nigeria face, there is limited ability to grow, sustain and expand their operations to increase profits and remain profitable (Kiyabo & Isaga, 2020; World Bank, 2023).

Entrepreneurial Orientation (EO) has long been considered an important predictor of a firm's innovative, risky-taking and proactive behaviours. In addition, firms that demonstrate high levels of innovativeness, risk-taking and proactiveness are likely to perform better compared to those that do not exhibit these characteristics. In addition, EO has been identified as a critical factor for organizational capabilities for organizational adaptability, competitiveness, and performance. However, the extent to which Entrepreneurial Orientation contributes to Sustainable Growth is debated, with some research indicating that Entrepreneurial Orientation has a direct impact on performance while others indicate that it is contingent on other factors (Kraus et al., 2023; Kiyabo & Isaga, 2020).

Moreover, many family businesses do not have formal business policies that can guide their operations, create guidelines for governance as well as ensure continuity of their business practices. While many researchers have demonstrated the link between EO and organizational performance, there is limited research on the role that Business Policy plays in mediating this relationship. There is also limited research on the role that entrepreneurial orientation plays in promoting sustainable growth. Prior studies focus on manufactured products, the general SMEs or large organizations and not specifically family businesses. There is also a need to establish whether Business Policy can promote organizational governance and other organizational processes that can then lead to achieving Sustainable Growth. This paper will evaluate whether Entrepreneurial Orientation influences Sustainable Growth, while examining the contribution of Business Policy in explaining Sustainable Growth beyond Entrepreneurial Orientation (Campopiano et al., 2020; Wales et al., 2021).

Research Objectives

The study's research objectives are to:

i. Examine the effect of Innovativeness on Sustainable Growth.
ii. Examine the effect of Risk-Taking on Sustainable Growth.
iii. Examine the effect of Proactiveness on Sustainable Growth.
iv. Determine whether Business Policy significantly improves the prediction of Sustainable Growth beyond Entrepreneurial Orientation.

Research Hypotheses

H_{01}: Innovativeness has no significant effect on Sustainable Growth of family businesses in Delta State, Nigeria.

H_{02}: Risk-Taking has no significant effect on Sustainable Growth of family businesses in Delta State, Nigeria.

H_{03}: Proactiveness has no significant effect on Sustainable Growth of family businesses in Delta State, Nigeria.

H_{04}: Business Policy does not significantly improve the prediction of Sustainable Growth beyond Entrepreneurial Orientation among family businesses in Delta State, Nigeria.

Conceptual Review

Entrepreneurial Orientation

Entrepreneurial Orientation (EO) is one of the most diffused phenomena in entrepreneurship and strategic management research since it plays an essential role in organizational competitiveness and development. EO is generally defined as "a managerial disposition that leads firms to adopt innovative, proactive, and risk-taking behaviors to generate superior value" (Lumpkin & Dess, 1996; Wales et al., 2021). The researchers define EO as the ability of firms to transform their competencies and capabilities into competitive advantage by introducing new products and ideas, being aggressive in marketing, and taking risks and opportunities (Lumpkin & Dess, 1996; Wales et al., 2021). In other words, companies with strong entrepreneurial cultures are more likely to engage in functional innovation, process re-engineering, and proactive adjustment of their strategic plans in response to the business environment's demands and supply (Kiyabo & Isaga, 2020; Kraus et al., 2023). Researchers have noted that entrepreneurial orientation plays a critical role in empowering family businesses to withstand the test of time while withstanding the pressures of the challenging business environment (Campopiano et al., 2020; Hernández-Linares & López-Fernández, 2020). For instance, family firms must operate in a manner that promotes adaptability and flexibility to meet the ever-changing demands of the market while at the same time balancing tradition and modernity. Besides that, EO empowers family businesses to pursue growth opportunities, take risks, and navigate through various business challenges, including recruitment and succession planning, to achieve organizational objectives (Hernández-Linares & López-Fernández, 2020; Kiyabo & Isaga, 2020). Lumpkin and Dess (1996) first proposed entrepreneurial orientation as innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy. However, subsequent investigations including the current one reveal that businesses practice only three primary aspects of entrepreneurial orientation, including innovativeness, risk-taking, and proactiveness (Covin & Wales, 2019; Wales et al., 2021).

Innovativeness entails the willingness and ability of firms to create and introduce new ideas and products, as well as acquire and apply new technologies and processes to promote organizational growth and development. It is the "capacity of management to engage in research and development, commercialization of new products and services, and organizational learning" (Kiyabo & Isaga, 2020; Perera & Samarakoon, 2021).

For innovativeness to be realized, management must be willing to experiment with new and untried approaches to meet the customers' evolving needs and wants while promoting process improvement and operational efficiency (Perera & Samarakoon, 2021). Most family businesses operate in a highly competitive and volatile business environment where differentiation and value-based proposition are the order of the day, necessitating the need for continuous process and product innovation. This is especially true for family firms in Nigeria's Delta State that must continuously develop new and innovative products and services, as well as utilize cutting-edge technology to meet the customers' rising demands and remain ahead of the competition (Kraus et al., 2023; OECD, 2023).

Risk-Taking

Risk-taking is one of the key dimensions of Entrepreneurial Orientation. It refers to the willingness of members of an organization to spend time, money, and other resources on activities whose outcome is uncertain but potentially rewarding. In other words, risk-taking relates to the ability of managers and business owners to undertake initiatives and make decisions despite the level of uncertainty involved with a particular course of action. At the same time, it does not promote rash decision-making, even with the possibility of reward, but instead encourages the measurement and consideration of the risks and the potential for profit as a basis for determining the degree of involvement in a particular initiative (Covin & Slevin, 1989; Wales et al., 2021). In this new world, it is necessary for companies to take risks to succeed (Wales et al., 2021) Risk-taking promotes the possibility of diverse outcomes, including new opportunities, and lays the groundwork for the growth of a company. Thus, it can be argued that organizations that demonstrate a willingness to take entrepreneurial risks are more likely to improve performance, given the changing and unpredictable nature of the environment (Kraus et al., 2023) , over organizations that do not. Similarly, it can be suggested that family businesses will be more likely to thrive in a competitive environment if the managers and owners are ready and willing to take strategic risks, as opposed to those that do not demonstrate such a tendency (Kiyabo & Isaga, 2020).

In contrast to other organizations, decisions in family businesses are often informed by the need to preserve family wealth, with risks that would jeopardize family members' financial status avoided. Therefore, it is common to find conservative family business owners when it comes to taking risks (Campopiano et al., 2020). While such an approach may be appropriate when major family goals are at stake, avoiding risks whenever and wherever they arise is unlikely to lead to the performance levels that family-owned enterprises desire. Instead, willingness to take responsible risks will enable family members to achieve the firm's objectives in the long run (Hernández-Linares & López-Fernández, 2020). This is even more so in the Delta State where, due to instability in exchange rates, inflation, poor infrastructure, rising production costs, and changing consumer preferences, entrepreneurs have to make strategic business decisions that, although not guaranteed, have the potential to yield substantial rewards in the long run (World Bank, 2023).

Proactiveness

The third entrepreneurial competency is proactiveness, which refers to an organization's ability to recognize and respond to potential opportunities before they arise. In other words, it is a type of behavior and decision-making that can help the organization get an advantage over competitors and achieve long-term goals. The firm with a high level of proactiveness can take action prior to the event occurring, which allows them to respond to impending changes (Lumpkin & Dess, 1996). For instance, management can identify new threats and opportunities and plan their course of action. Proactiveness implies the use of organizational resources to pursue opportunities before competitors realize that they need to do the same. As such, it is a critical component of organizational behavior that determines the likelihood of an enterprise achieving superior performance levels (Wales et al., 2021).

In the context of family businesses, proactiveness is particularly important as an important determinant of long-term sustainability. Such firms are more likely to operate in a hostile and competitive environment, where their actions and decisions determine the rate at which they will continue to exist and prosper (Campopiano et al., 2020). For example, as more potential customers choose to do business with more organized, efficient, and digitally advanced competitors, family-owned enterprises must demonstrate some degree of proactiveness to transform and meet the changing customer needs and wants. This will enable them to survive and perhaps thrive, even as Nigeria's economic environment becomes more competitive (Kraus et al., 2023).

Business Policy

Business policy refers to policies on which managers must formulate strategies that lead to the attainment of organizational goals. It is a guideline that directs an enterprise, for instance, management regulations that lead to the establishment of a sound organizational structure (David et al., 2020). Business policy also facilitates the realization of the corporate vision and mission, and other business objectives. In addition, business policy ensures that the business practices and activities are carried out in a manner that promotes the organization's continued existence (Wheelen et al., 2023). Business Policy deals with the formulation, implementation, evaluation, and control of policies in order to regulate and guide corporate operations and management decisions. It establishes policies for financial management, human resource management, succession planning, innovation, corporate governance, and other business functions. Policies are effective decision-making guidelines that help an organization achieve its objectives. Organizations with strong business policies are able to make decisions easily as well as deal with environmental factors (Hill et al., 2021; Rothaermel, 2021).

Business policy seems to be more of a concern for family businesses because, in most cases, family members' needs and demands must be considered before those of business (Campopiano et al., 2020). In family business, the manager's primary duty is to maximize the satisfaction of his own family. The informal control, oral agreements, and authority that are characteristic of family business management are effective in the early stages of the business development. However, as time goes, they may not be sufficient to address the issues of succession, family and business conflicts, accountability, business strategy, and control (Kallmuenzer et al., 2022). Therefore, business policies are critical for the long-standing success of family businesses because family business owners need to improve professionalism to enable the firm thrive in a challenging business environment. Business policies enhance organizational success by providing a system of guidelines and directions that help in minimizing the risks associated with business decision-making.

For instance, the policies help in specifying the areas where responsibility must be taken and the rules that must be followed in order to achieve the best performance possible, especially in regard to finances. Policies also promote communication, control, leadership, and strategic planning and decision-making process in an organization. Therefore, the presence of well-articulated policies in a family business is important because they help in minimizing the risks associated with decision-making in the area of succession and family matters while promoting professionalism (Chrisman et al., 2021; Wheelen et al., 2023).

Entrepreneurial Orientation is critical in promoting the success of any firm through the encouragement of innovative ideas, risk-taking, and aggressive action. The concepts of Entrepreneurial Orientation, therefore, play a critical role in supporting business policy by articulating methods through which entrepreneurial ideas can be implemented.

In other words, Business Policy offers a mechanism for Entrepreneurial Orientation to impact organizational growth by promoting innovation management, investment, human capital, and performance evaluation. For instance, Business Policy determines how innovative organizational practices, human skills, and other entrepreneurial efforts contribute to organizational performance. Therefore, Business Policy is critical in promoting the transformation of Entrepreneurial Orientation into organizational growth among family businesses in Delta State (David et al., 2020; Kraus et al., 2023). The need for business policy is increasing day by day, especially for family businesses in Delta State. The increasing operating costs, economic instability, technological advancements, increased competition, and brain drain are some of the issues that family businesses encounter in the current business environment. With increased competition, businesses must develop strategies that promote their continued survival while being able to withstand the test of time.

For instance, firms with well-documented policies regarding operational practices, succession planning, finances, and guidelines are more likely to survive and grow in the long run as compared to businesses without such policies. Therefore, business policies will help family businesses in Delta State achieve sustainable growth while withstanding the test of time. Thus, business policy will mediate the relationship between Entrepreneurial Orientation and Sustainable Growth among family businesses in Delta State (World Bank, 2023).

Sustainable Growth

Sustainable Growth means the firm's ability to grow consistently over a period of time while sustaining its competitive advantage. Compared to the business's normal growth, it refers to the ability to increase its growth steadily while maintaining its competitive advantage (OECD, 2023; Kraus et al., 2023). Thus, in other words, Sustainable Growth is a matter of fact, which implies that the firm's financial, operational, and market growth can be developed over time without reducing its potential abilities to grow further. It is essential to understand the concept of Sustainable Growth, particularly for entrepreneurship and strategic management, as nowadays, businesses have to operate in a consistently changing and volatile environment. As a result, corporate strategies are being re-evaluated to promote long-term business growth as well as achieve competitive advantage.

In other words, businesses must be profitable, maintain their customers, employ more workers, operate in more attractive and promising markets, and be generally more stable over time in order to be successful (Elkington, 2018; Bocken & Short, 2021). For instance, Sustainable Growth entails the ability of a family business to continue operating successfully while at the same time maintaining its competitive advantage. Thus, Sustainable Growth goes beyond simply maintaining a profitable family business; it also includes considerations such as the long-term business needs, continuity, and survival. Therefore, family businesses must be dynamic, innovative, and well managed in order to achieve Sustainable Growth while also considering issues such as family wealth, business succession, reputation maintenance, and organizational survival (Campopiano et al., 2020; Chrisman et al., 2021). The concept of Sustainable Growth has become more critical for family businesses, particularly in developing countries like Nigeria, due to a number of factors, including inflation, unstable exchange rates, insecurity, environmental degradation, and poor infrastructure.

In addition, firms are subjected to frequent government policy changes that hinder their ability to maintain their competitive advantage and profit margins. Thus, in today's challenging business environment, family businesses require entrepreneurial skills in order to thrive and grow steadily over time while withstanding the test of time. In addition, for family businesses to achieve Sustainable Growth, they need proper business policies to guide their operations, especially in regard to finances, succession planning, and business strategy (World Bank, 2023).

Sustainable Growth in this study was operationalized using Revenue Growth, Employment Growth, and Market Expansion as its indicators. The choice of these indicators was justified by the fact that they help assess both the financial and non-financial performance of an organization. For instance, Revenue Growth indicates how well a family business is able to grow financially. Employment Growth reflects how well a family business is able to grow in terms of employing more workers.

On the other hand, Market Expansion sheds light on how well the family business is able to grow its market reach geographically. Therefore, these indicators are useful in ascertaining the level of Sustainable Growth of family businesses in Delta State (Kiyabo & Isaga, 2020; Kraus et al., 2023).

Revenue Growth

Revenue Growth is characterized as the organization's ability to constantly grow the income derived from the sale of goods and services within a specific time interval. The indicator is one of the most common ones used to measure organizational performance since it showcases the firm's ability to sell more, attract new customers, enter new markets, gain more profit, and improve its overall financial status. Unlike profits, which can be artificially inflated, revenue growth is a critical indicator of the firm's ability to execute and profit from long-term strategies. If sales are consistently growing, the firm will be able to fund its operations, invest in R&D, expand its market presence, and become more competitive in the marketplace (Rothaermel, 2021; Wheelen et al., 2023).

Innovation, market responsiveness, customer satisfaction, pricing policy, and the ability to take advantage of emerging opportunities are just some of the factors influencing a firm's ability to generate sales growth consistently. At the same time, it is important to note that firms applying entrepreneurial approaches to product development, innovation, and market development tend to have higher sales growth potential than those relying on conventional approaches. Entrepreneurial Orientation drives Revenue Growth by increasing the firm's ability to innovate, take risks, and respond to customers' evolving demands, thus improving its competitive advantage (Kiyabo & Isaga, 2020; Kraus et al., 2023).

For family businesses in the State, Revenue Growth is critical, as it determines whether they will be able to meet expenses, sustain operations, attract and retain employees, and operate more competitive. At the same time, the impact of inflation, foreign exchange challenges, rising production costs, and customers' purchasing power, which has been weakened by the mentioned inflation and unemployment, has been devastating for businesses in the State. For these firms, the combination of Entrepreneurial abilities and appropriate Business Policies is key to achieving more sustainable financial gains despite the difficult economic conditions (World Bank, 2023).

Employment Growth

In contrast to revenue growth, Employment Growth is the ability of the firm to continually hire new personnel as the firm grows and the need for its products and services keeps expanding. This means that the organization has a competitive advantage that attracts people to join and work. Employment Growth is very essential to firms because it indicates that the company is doing well since more individuals are willing to join the organization (OECD, 2023). Entrepreneurial firms have more potential to create Employment Growth because compared to large corporations, small businesses are more agile, flexible, and dynamic in their approach to economic development. New goods, services, and technologies, as well as the introduction of new methods and markets, are typically linked to the need for novel combinations of skills and expertise. Therefore, Entrepreneurial Orientation leads to Employment Growth by enabling a company to diversify, expand, and grow while also attracting more specialized personnel (Kraus et al., 2023; Kiyabo & Isaga, 2020).

Most Family Business Organizations have tremendous potential for contributing to Employment Growth in Nigeria because they operate within the small and medium enterprise sector. These firms generate a significant proportion of the jobs in Nigeria. In the Delta State, Family Business Organizations provide employment opportunities in various industries, including agriculture, manufacturing, construction, education, health, transport, hospitality, and commerce. Employment Growth can be achieved by considering the effects of exchange rates, rising production costs, and brain drain on small businesses.

At the same time, companies led by Entrepreneurial approaches and policies have the potential to scale their activities and create more employment opportunities for the locals (World Bank, 2023).

Market Expansion

Market Expansion is the firm's ability to continually grow and operate in new markets, acquire new customers, and sell diverse products and services. It is critical for organizations since it demonstrates their ability to become more competitive, less dependent on existing customers or geographic markets, and operate more profitable. Firms with proper Entrepreneurial approaches tend to have more opportunities to grow sustainably (Ansoff, 1957; Rothaermel, 2021).

To achieve Market Expansion, organizations need to have the right abilities, including opportunity recognition, innovation, customer responsiveness, and competitiveness. Entrepreneurial Orientation drives Market Expansion by enabling the firm to recognize opportunities and meet customers' evolving demands through new products, services, and geographic markets. Firms that constantly monitor the business environment and interact with customers are more likely to respond to emerging opportunities faster and be the first to acquire new customers, products, services, and markets before potential competitors (Wales et al., 2021; Kraus et al., 2023). With the growing economic competition, Delta State family businesses increasingly need to consider Market Expansion to continue selling their existing products and services. The use of modern technology and proper customer engagement is essential to satisfy the local, national, and international customers and promote consistent sales growth.

Thorough Business Policies, including those related to marketing, product development, and customer relations, provide the necessary framework for these firms to continue operating more competitively and successfully at regional, national, and international levels. By combining Entrepreneurial approaches with appropriate Business Policies, Delta State Family Businesses will be able to achieve Market Expansion to remain competitive in Nigeria's business environment (Kiyabo & Isaga, 2020; OECD, 2023).

Theoretical Framework

Theory of Reasoned Action

The Theory of Reasoned Action (TRA) was pioneered by Fishbein and Ajzen in 1975 to explain people's attitudes and subjective norms towards their behavioural intentions and subsequent performance (Ajzen, 2020). According to this theory, there is a likelihood that a person will perform a given behaviour based on their attitude towards it and the perception that significant others have about the behaviour. Behavioural intention is regarded as the immediate precursor to any observable behaviour and is determined by an individual's attitude toward the particular conduct (Ajzen, 2020; Fishbein & Ajzen, 1975). TRA is founded on the notion that people engage in purposeful actions after evaluating information relevant to the intended conduct.

As such, it is expected that entrepreneurial decisions made by individuals, including introducing new products, investing in projects, taking risks, and reacting to changes perceived in the business environment, are informed by their entrepreneurial attitudes and general expectations of the outcomes (Ajzen, 2020). Therefore, in family business contexts, owner-managers with positive entrepreneurial attitudes are likely to demonstrate innovative, risky, and proactive behaviours to increase the chances of securing the firm's sustainable growth (Ajzen, 2020).

The Theory of Reasoned Action is critical in this study since Entrepreneurial Orientation is manifested by family business owner-managers' behavioural patterns, including innovativeness, risk-taking, and proactiveness, all of which facilitate the recognition of opportunities and the allocation of resources for their exploitation.

Consistent with TRA, positive entrepreneurial attitudes will probably lead to entrepreneurial actions that result in increased revenue, employee base, market size, and, ultimately, Sustainable Growth. Business Policy as defined in this study can be regarded as the mechanism by virtue of which entrepreneurial actions are taken by family business owner-managers. Policies pertaining to management and governance, succession, innovation, finance, and planning are all critical in promoting the growth and sustainability of a firm as they enable policy-makers to institutionalize actions that promote good governance. Unlike a mediator or a moderator, Business Policy functions more as an organizational factor that adds explanatory power in establishing the extent to which Sustainable Growth can be achieved beyond the influence of Entrepreneurial Orientation. Therefore, it is expected that, alongside Entrepreneurial Orientation, Business Policies promote the organizational effectiveness of a family business, thus facilitating growth and sustainability.

The relevance of the Theory of Reasoned Action in this study explains why Entrepreneurial Orientation (innovativeness, risk-taking, and proactiveness) and Business Policy are critical variables that may predict the Sustainable Growth of family businesses in Delta State, Nigeria. A critical examination of the Theory of Reasoned Action reveals that it has a major flaw that renders it inadequate in explaining the entrepreneurial decision-making processes of firms. Although the theory assumes total behavioural control, in practice, entrepreneurs may experience a sense of volition that makes it difficult for them to make decisions based solely on situational cues (Ajzen, 2020). Various environmental factors, including economic fluctuations, governmental policies, inflation rates, and competition, can impede a family business owner-manager's ability to transform intentions into overt action (Ajzen, 2020).

Additionally, resource limitations pose a primary hindrance to implementing any entrepreneurial initiatives, thus hampering a firm's sustainable growth. Regardless of these limitations, the TRA is relevant in this study since it explains the process by virtue of which family business owner-managers develop attitudes towards specific behaviour, which, in turn, influence Sustainable Growth.

Methodology

The descriptive cross-sectional survey research design was adopted for this study to determine the additional contribution of Business Policy in explaining Sustainable Growth after accounting for Entrepreneurial Orientation. The cross-sectional survey research design was adopted because it allows researchers to obtain quantitative data from a large sample of respondents at a certain time without the need to manipulate treatment. The cross-sectional survey design was considered appropriate for this study because it allows researchers to investigate the relationship between variables in a business organization (Creswell & Creswell, 2023; Saunders et al., 2023). The study population for this study was family business owners, managers, and workers in different business industries in the seven (7) major sectors that make up the economy of Delta State, Nigeria. The seven (7) business sectors include Agriculture, Construction, Education, Real Estate, Manufacturing, Finance, and Healthcare. The business sectors were chosen based on their relevance in promoting economic development, generating employment, and wealth creation in the state. Due to the vastness of family owned business in the state, the data collection process took 65 days. The process of disseminating and collecting the questionnaires was done manually by the researcher to ensure a high-response rate.

The sampling strategy that was selected for this study was the purposive sampling technique. The reason for selecting this technique was that it is relevant to studies that require respondents with a certain level of knowledge about the target population (Creswell & Creswell, 2023; Saunders et al., 2023). A sample size of 217 respondents was selected from the seven (7) business sectors using the proportional sampling technique. This implies that 31 respondents were selected from each business sector. A total of 206 respondents were successfully contacted with the questionnaires. However, only 202 questionnaires were returned after screening which represents 93.1% response rate of the initially selected sample size. The response rate is considered very high for this type of study to allow for more flexibility when analyzing the data sets (Hair et al., 2022; Pallant, 2020).

The study adopted the research instrument used in prior studies on Entrepreneurial Orientation, Business Policy, and Sustainable Growth of family business. The instrument was designed using statements which were scored on a five-point Likert scale from 5=Strongly Agree to 1=Strongly Disagree. The reliability and validity of the research instrument were tested during the pilot study. Each construct had a Cronbach Alpha value of greater than 0.7 which implies that the questionnaire items had a high degree of reliability and consistency (Hair et al., 2022; Taber, 2018).

Statistical analysis of the dataset was done using Statistical Package for Social Science (SPSS) Version 28. Descriptive Statistics which includes frequency counts and percentages were used to describe respondents' data set. Inferential statistics such as Pearson Product Moment Correlation and Hierarchical Multiple Regression Analysis was employed to determine whether the inclusion of Business Policy significantly increased the proportion of variance explained in Sustainable Growth after Entrepreneurial Orientation had been entered into the regression model.

Results and Discussion

Demographic Characteristics of Respondents

A total number of 217 sets of questionnaires were administered to Owners, Managers, and other key staff of family businesses selected from 7 industries in the Delta State economy. Out of these 217 questionnaires, 206 questionnaires were returned representing a response rate of 94.9%. Upon screening, 4 questionnaires were excluded due to incomplete responses and hence 202 questionnaires were used for the final analysis representing a response rate of 93.1%.

Variable	Category	Frequency	Percentage (%)
Gender	Male	63	31.19
	Female	139	68.81
	Total	202	100.00
Educational Qualification	Secondary School Certificate	18	8.91
	National Diploma/HND	52	25.74
	Bachelor's Degree	88	43.57
	Postgraduate Degree	44	21.78
	Total	202	100.00
Position in Organization	Business Owner	61	30.20
	Top Management	25	12.37
	Middle Management	61	30.20
	Operational/Lower Management	55	27.23
	Total	**202**	**100.00**

Source: Field Survey (2023)

From the analysis presented in table 4.1 below, it was found that out of the 202 respondents that were interviewed 63(31.19%) were male while 139(68.81%) were female respondents indicating a higher percentage of female members participating in family businesses than their male counterparts.

Furthermore it was found that most of the respondents 88(43.57%) had attained Bachelor's Degree followed by 52(25.74%) respondents with National Diploma and Higher National Diplomas. Forty four (21.78%) respondents had Postgraduate Degrees while only 18(8.91%) respondents had Secondary School Certificate. The higher respondents with Tertiary Education attainment implies that the respondents were reliable and representative in providing information about entrepreneurial orientation of business owners and managers in the study area.

Lastly, the demographic analysis showed that 61 respondents (30.20%) were Business Owners, 61 respondents (30.20%)

were Middle level Managers while 55 respondents (27.23%) were Operational and Lower Level Managers and only 25 respondents (12.37%) were Top level Managers. The demographic analysis was therefore reliable and representative since it covered various levels of authority within the organizations whose opinions were sought to establish entrepreneurial orientation, business policy and sustainable growth of family owned businesses in the study area.

Hypotheses Testing

Hypothesis One

H_{01}: Innovativeness has no significant effect on Sustainable Growth of family business in Delta State. Pearson Product Moment Correlation technique was used to establish the relationship between Innovativeness and Sustainable Growth. Table 4.2 presents the results of the Pearson's correlation analysis.

Table 4.2: Pearson Correlation Analysis

Variables	Innovativeness	Risk-Taking	Sustainable Growth
Innovativeness	1.000		
Risk-Taking	0.512**	1.000	
Sustainable Growth	0.732**	0.613**	1.000

Correlation is significant at 0.01 level (2-tailed).

Source: Spss Output (2023)

From Table 4.2 above, it can be observed that there is a positive and significant correlation between Innovativeness and Sustainable Growth of 0.732. This implies that Innovativeness has a positive and significant effect on the Sustainable Growth of family businesses in Delta State. Specifically, introducing new products, processes, and technologies and promoting innovative business practices have a positive and significant impact on revenue growth, employment generation, and overall market expansion of family businesses in the study area.

Additionally, the correlation analysis result shows that the p-value is less than 0.05, signifying that the initial assumption of no relationship is false. Thus, we reject the null hypothesis and conclude that Innovativeness has a significant effect on the Sustainable Growth of family businesses in Delta State.

Hypothesis Two

H_{02}: Risk-Taking has no significant effect on Sustainable Growth of family business in Delta State.

Pearson Product Moment Correlation analysis was performed too, to determine the correlation between Risk-Taking and Sustainable Growth.

Table 4.3: Correlation analysis of Risk-Taking and Sustainable Growth

Variables	Risk-Taking	Sustainable Growth
Risk-Taking	1.000	
Sustainable Growth	0.613**	1.000

Source: Spss Output (2023) *N = 202*

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

The results in table 4.3 indicates that there is a significant positive relationship between Risk-Taking practices and Sustainable Growth of family businesses in Delta State (r= 0.613; p<0.001). This suggests that family business owners willing to take risks in the decision making processes and those that create new business opportunities by allocating resources to innovative strategies stand a better chance of having sustainable growth. Due to its significance at 5%, the null hypothesis was rejected.

Thus, it can be concluded that Risk-Taking significantly predicted Sustainable Growth of family businesses in Delta State.

Hypothesis Three

H_{03}: Proactiveness does not have a significant relationship with Sustainable Growth of family businesses in Delta State.

Table 4.4 below shows the correlation between Proactiveness and Sustainable Growth.

Variables	Proactiveness	Sustainable Growth
Proactiveness	1.000	
Sustainable Growth	0.689**	1.000

Source: Spss Output (2023) *N = 202*

Correlation is significant at 0.01 level (2 – tailed).

From table 4.4 above, it can be concluded that there is a significant positive relationship between Proactiveness and Sustainable Growth of family businesses in Delta State since the calculated value of 0.689 is greater than the critical value of 0.001. Therefore, we reject the null hypothesis H_{03} and conclude that Proactiveness significantly affects the Sustainable Growth of family businesses in Delta State. This implies that family business owners who are proactive in sensing opportunities and taking advantage of emerging issues and trends are more likely to experience Sustainable Growth than those who are not.

Hypothesis Four

H_{04}: Business Policy does not significantly improve the prediction of Sustainable Growth beyond Entrepreneurial Orientation among family businesses in Delta State, Nigeria.

Table 4.5: Hierarchical Multiple Regression Analysis

Model	R	R Square	Adjusted R Square	F Change	Sig. F Change
Model 1 (Entrepreneurial Orientation → Sustainable Growth)	0.621	0.385	0.381	124.50	0.000
Model 2 (Entrepreneurial Orientation + Business Policy → Sustainable Growth)	0.737	0.543	0.538	68.21	0.000

Source: Spss Output (2023)

Dependent Variable: Sustainable Growth

Predictors: Entrepreneurial Orientation, Business Policy

From the analysis in Table 4.5 above, it can be observed that while using Entrepreneurial Orientation as a predictor, the proportion of variance explained by the model was 38.5%.

However, an increase was recorded when Business Policy was added as another predictor resulting in 54.3% being explained by the model. This means that an increase of 15.8% occurred from 38.5% to 54.3% and this increase is statistically significant at $p < 0.001$ since the value of F Change and Sig. F Change were 68.21 and 0.000 respectively.

Thus the null hypothesis that stated that Business Policy does not significantly mediate the relationship between Entrepreneurial Orientation and Sustainable Growth of family businesses in Delta State is rejected and therefore it is concluded that the inclusion of Business Policy in Model 2 increased the coefficient of determination (R^2) from 0.385 to 0.543, representing an additional **15.8 percentage points** ($\Delta R^2 = 0.158$) in the explained variance of Sustainable Growth. The increase in explanatory power was statistically significant (F Change = 68.21, $p < 0.001$). Therefore, the null hypothesis was rejected, indicating that Business Policy significantly enhances the prediction of Sustainable Growth beyond Entrepreneurial Orientation.

Discussion of Findings

It was found that Innovativeness has a significant positive effect on Sustainable Growth of family business in Delta State. According to the results of the Pearson Product Moment Correlation analysis, there is a strong positive correlation between Innovativeness and Sustainable Growth of family business, $r = 0.732$, $p < 0.001$. It was also found that about half of the variance in the outcome variable can be predicted by the predictor. Specifically, almost 53.6% ($r2 = 0.536$) of Sustainable Growth can be predicted by the innovativeness of family business. It can be concluded that companies that are characterized by innovation, introduction of new products, services, production methods, and technologies are more likely to have higher revenue, employment, and market expansion. The result of the current study supports the findings of previous researchers, including Kiyabo and Isaga (2020), as well as Kraus et al. (2023), who found that innovative organizations are more likely to perform better and have sustainable growth than conservative ones. Risk-Taking has a significant positive effect on Sustainable Growth of family business in Delta State. Based on the results of analysis, it is possible to conclude that there is a strong positive correlation between such variables as Risk-Taking and Sustainable Growth, r=0,613, p<0,001.

In addition, based on the calculation of determination, it is possible to state that 37,6% (r2=0,376) of Sustainable Growth can be explained by Risk-Taking. It can be concluded that business owners who are willing to take risks have a better chance to make a business grow. It was found that being ready to take a chance on something uncertain but potentially rewarding leads to thriving business and helps it adapt to the changing business environment. This result supports the findings of previous studies conducted by Wales et al. (2021) and Kraus et al. (2023), who emphasize that companies benefit from strategic risk-taking and are more likely to survive and grow. The findings demonstrate that Business Policy significantly enhances the explanatory power of Entrepreneurial Orientation in predicting Sustainable Growth. Although Entrepreneurial Orientation independently explains a substantial proportion of Sustainable Growth, the inclusion of Business Policy considerably improves the model's predictive capability. This suggests that formal organizational policies relating to governance, succession planning, strategic decision-making and operational management strengthen the conditions under which entrepreneurial capabilities contribute to sustainable organizational growth on the effect of Entrepreneurial Orientation on Sustainable Growth of family business in Delta State. Based on the results of hierarchical regression analysis, it was found that Entrepreneurial Orientation predicts 38.5% of variance in Sustainable Growth ($R=0.621$, $R2=0.385$, Adjusted $R2=0.381$, $F=124.50$, $p<0.001$).

Simultaneously, when the moderator, Business Policy, was added to the model, the adjusted R2 increased by 15.8% ($\Delta R2=0.158$), predicting 54.3% of variance in Sustainable Growth ($R=0.737$, $R2=0.543$, Adjusted $R2=0.538$, F-change=68.21, $p<0.001$). This means that Business Policy plays an important role in the relationship between Entrepreneurial Orientation and Sustainable Growth, thus partly mediating the relationship. It can be stated that even though innovative activities, risk-taking, and other entrepreneurial initiatives contribute to business growth, family business owners need appropriate organizational policies, governance systems, processes, and management structures to fully benefit from their entrepreneurial efforts and achieve long-term sustainable growth. The results of the current study are in line with the findings of previous studies conducted by Chrisman et al. (2021) and Kallmuenzer et al. (2022), who found that formal policies and procedures promote family business continuity, organizational resilience, and sustainable growth.

Conclusion

Therefore, it is concluded that Entrepreneurial Orientation is a critical success factor, which enhances Sustainable Growth in family business in Delta State, Nigeria. It is recommended that the owners and founders of family businesses in Delta State should integrate innovative strategies with improved business policies for achieving sustainable growth and survival. The study further recommends that the owners of family businesses in Delta State should develop entrepreneurial policies to promote continuous business growth through increased revenues, number of staff employed, and market expansion.

Recommendations

The following recommendations are made for the owners of family businesses in Delta State, Nigeria.

i. Family business owners need to strengthen organizational business policies on governance, succession planning, financial management, innovation, and strategic planning to actualize entrepreneurial initiatives.

ii. Managers must promote innovative activities, responsible risk-taking, and strategic initiatives to foster organizational growth while developing policies that guide the implementations.

iii. Government agencies should continually offer support, training, and incentives to enable family businesses owner-managers actualize entrepreneurial initiatives through appropriate business policies.

References

Ajzen, I. (2020). The theory of planned behavior: Frequently asked questions. *Human Behavior and Emerging Technologies, 2*(4), 314–324. https://doi.org/10.1002/hbe2.195

Ansoff, H. I. (1957). Strategies for diversification. *Harvard Business Review, 35*(5), 113–124.

Bocken, N. M. P., & Short, S. W. (2021). Sustainable business model innovation. In S. O. Idowu et al. (Eds.), *Encyclopedia of sustainable management*. Springer.

Campopiano, G., De Massis, A., & Chirico, F. (2020). Family business studies: An annotated bibliography. *Journal of Family Business Strategy, 11*(4), 100351.

Chrisman, J. J., Chua, J. H., & De Massis, A. (2021). Family firms and business strategy. *Entrepreneurship Theory and Practice, 45*(1), 15–29.

Covin, J. G., & Slevin, D. P. (1989). Strategic management of small firms in hostile and benign environments. *Strategic Management Journal, 10*(1), 75–87.

Covin, J. G., & Wales, W. J. (2019). Crafting high-impact entrepreneurial orientation research. *Entrepreneurship Theory and Practice, 43*(1), 3–18.

Creswell, J. W., & Creswell, J. D. (2023). *Research design: Qualitative, quantitative, and mixed methods approaches* (6th ed.). Sage.

David, F. R., David, F. R., & David, M. E. (2020). *Strategic management: A competitive advantage approach, concepts and cases* (17th ed.). Pearson.

Elkington, J. (2018). 25 years ago I coined the phrase "triple bottom line." Here's why it's time to rethink it. *Harvard Business Review*. https://hbr.org

Fishbein, M., & Ajzen, I. (1975). *Belief, attitude, intention and behavior: An introduction to theory and research*. Addison-Wesley.

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2022). *Multivariate data analysis* (9th ed.). Cengage.

Hernández-Linares, R., & López-Fernández, M. C. (2020). Entrepreneurial orientation and the family firm: Mapping the field. *European Journal of Family Business, 10*(1), 5–26.

Hill, C. W. L., Schilling, M. A., & Jones, G. R. (2021). *Strategic management: Theory and cases* (13th ed.). Cengage.

Kallmuenzer, A., Peters, M., & Buhalis, D. (2018). The role of family governance in family firms. *Journal of Family Business Management, 8*(2), 203–220.

Kallmuenzer, A., De Massis, A., & Peters, M. (2022). Family firms and governance mechanisms. *Journal of Family Business Strategy, 13*(2), 100458.

Kiyabo, K., & Isaga, N. (2020). Entrepreneurial orientation, competitive advantage, and SMEs' performance: Application of firm growth and personal wealth measures. *Journal of Innovation and Entrepreneurship, 9*(1), 12.

Kraus, S., Clauss, T., Breier, M., Gast, J., Zardini, A., & Tiberius, V. (2023). Entrepreneurial orientation and firm performance: A systematic literature review. *Review of Managerial Science, 17*(3), 743–779.

Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review, 21*(1), 135–172.

Nugroho, A., Haryono, T., & Widodo, T. (2020). Business policy and sustainable performance in family businesses.

Journal of Asian Finance, Economics and Business, 7(11), 1067–1077.

Organisation for Economic Co-operation and Development. (2023). *SME and entrepreneurship outlook 2023*. OECD Publishing.

Pallant, J. (2020). *SPSS survival manual* (7th ed.). McGraw-Hill Education.

Perera, P., & Samarakoon, S. (2021). Entrepreneurial orientation and innovation performance among SMEs. *South Asian Journal of Business Studies, 10*(3), 329–347.

Rothaermel, F. T. (2021). *Strategic management* (5th ed.). McGraw-Hill.

Saunders, M., Lewis, P., & Thornhill, A. (2023). *Research methods for business students* (9th ed.). Pearson.

Taber, K. S. (2018). The use of Cronbach's alpha when developing and reporting research instruments. *Research in Science Education, 48*(6), 1273–1296.

Visser, T., & Van Scheers, L. (2020). Entrepreneurial orientation and firm competitiveness among SMEs. *Acta Commercii, 20*(1), 1–11.

Wales, W. J., Covin, J. G., & Monsen, E. (2021). Entrepreneurial orientation: The necessity of a multidimensional perspective. *Entrepreneurship Theory and Practice, 45*(1), 3–19.

Wheelen, T. L., Hunger, J. D., Hoffman, A. N., & Bamford, C. E. (2023). *Strategic management and business policy: Globalization, innovation and sustainability* (16th ed.). Pearson.

World Bank. (2023). *Nigeria development update: Seizing the opportunity*. World Bank.