FACTORS THAT INFLUENCE CAPITAL STRUCTURE DECISIONS BETWEEN OWNERS OF FAMILY BUSINESSES AND THEIR ADMINISTRATORS IN MEDIUM SIZED ORGANIZATIONS.

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ABSTRACT

Family businesses are known to have problems with capital structure decision making, and this is evident within the Nigerian family business context. While other areas in the family business field have been well studied, the factors that influence capital structure decisions have been grossly understudied; particularly from the perspective of family business owners and the administrators that manage their businesses. This dissertation addresses this understudied section in the family business literature while simultaneously addressing a real-world problem through Action Research.

This research analyses the family business literature to understand the current theoretical and empirical stance of this issue. Following the creation of action learning sets within my organization, a decision was made to diffuse new knowledge into the firm. Twelve interviews with owners and administrators of family businesses were conducted to explore the research problem and gather primary data on the subject. Research participants were interviewed based on their hierarchical roles within family businesses that met with set research criteria. Following qualitative analysis of the data and continued activities within the learning sets, this research wok produced factors that influence capital structure decisions within medium family businesses in Nigeria. Factors such as fear, control, trust, generational succession, expertise and experience, mind-set, agreement issues, capital structure decision priorities and conflicts were discovered. In addition, new knowledge was diffused into the organization which acted as a game-changer in terms of external financing.

These activities, allowed for the problems concerning capital structure decision making in my organization to be addressed.

This research work demonstrates how action research can be used to solve real- world problems and may provide guidance for future action researchers working in similar contexts – e.g., family business in developing countries.

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CHAPTER1: INTRODUCTION

RESEARCHERS INTRODUCTION

My name is Bolaji Tejuoso and I work for the Foam manufacturing arm of Teju group of industries Nigeria as a Managing Director. I enrolled for the DBA course and commenced in July, 2011.

HISTORICAL ELEMENT

At the inception of the Doctorate in Business Administration course, I embarked on a journey aimed towards resolving a major workplace based problem. I had enrolled on this course of study with an intention of getting an external and informed perspective towards understanding the intricacies of family business capital structures and in-turn; seeking for a lasting solution to the financing issues within my organization. At that point, I had named the problem 'inadequate financing' because the chairman and directors in my orgaization were very reluctant to investthe required running capital into our operations. This in part was due to their belief that the Nigerian manufacturing sector was not worth pumping funds into, based on the high overhead costs and low returns on investments that they reckoned affected this sector. This long term belief of theirs resulted in capital cost cutting of up to about 60% which adversely affected normal production operations within the factory. As an example, the way in which they would fund operations will be to invest "inadequate funds" to sustain operations for about six to eight months within a two year period, after which the operations would then get funded from returns on sales rather than working capital. This in-turn halted operations as we had to wait for 1 to 3 months after each production process to get proceeds from sales for thepurchaseof chemicals for production. This situation agitated our distributors as they couldn't getproducts, which then led to their sourcing for products from our competitors. As a result, staff salaries and general welfare were negatively affected in the organization leading to further problems such as negative unionism, HR issues and various ambivalent attitudes; all which were resolved during the DBA course of study.

Looking at this problem from my firm owner's perspective (the Chairman), he once stated that "this organization was built out of the petty trading sweat of my mother and I won't allow it to be taken over by any bank". These were the words spoken in anger by the chairman, when the senior management of my organization had insisted on positively changing its financial situation some years ago. His (the chairman) stories had at that point become the order of the day, as he would continually tell stories of how it took his mother (the founding chairman) 10 years to get the organization fully functional. In addition, he was bent on fulfilling the promise he made to his mother on her dying bed that the business would forever remain in the family and that he would maintain the family goodwill and legacy. He had been part of the business (both officially and unofficially) right from its inception and had been trained by his mother not to trust external financing, based on her notion that finance houses were only out to steal business ventures. He had been groomed in this mind-set and was insistent on operating the business with family funds. This was also partly based on an occurrence his mother had experienced with a financial institution (which he never explained) that had dissuaded her from accessing external financing to fund the business.

Past administrators of my organization had endeavoured to resolve this problem but had met with strong resistance of the chairman and board of directors in my organization. On my appointment as the Managing Director of this manufacturing arm of the organization, I was in a dilemma as I realized I couldn't manage the organization effectively with limited funds. I tried several means to change the mind-set of the chairman and the board of directors but all to no avail. I then enrolled for the University of Liverpool's DBA course 4 years ago with an intention of resolving the workplace based problem of "inadequate financing" through the precepts of action learning (Coghlan&Brannick, 2010). This intent to resolve was what gave birth to this action research project. In other words, this research work had been in the works for the past four years and this thesis presents the findings of the research work.

"Inadequate financing" had been the title I had used to coin the problem in the beginning based on how I had been perceived the problem at that point in time.

LITERATURE BACKGROUND

For family businesses, access to adequate financing is amongst the most important factors that determines their success and survival (Molly et al, 2012, Chua et al, 2011). According to Koropp et al (2013), the processes of financing businesses owned by families are uniquely different from other types of businesses, based on the fact that family businesses are influenced by financial and non-financial wants (Aronoff& Ward, 1998; Miller & Le Breton-Miller (2005).

These businesses face peculiar problems that are alien to non-family owned businesses. Some of these problems include control, lack of trust, generational succession, agreement issues, pecking order of funding etc. Researchers studied the role of non-family managers or administrators in capital structure decision making (research by Brenton, 2007; Zelgalve&Berzkalne, 2011), but there has been no research into capital structure decisions taken by owners of family businesses and their administrators; especially within the Nigerian context. Research has over the years shown that family businesses fail due to bad decisions making (Shepard &Zacharakis, 2000).

Casillas &Adeco (2007) discover that family business as a field of study has not been well comprehended as there remains a dearth of this field in the literature, especially concerning capital structure decision making. Hence this research work aims to fill this gap in the literature.

More particularly, this research work is an action research project as it studies workplace based problems in particular organizations to answer the research question. Been a scholar practitioner, I carried out this research as an inside researcher within my organization whilst also conducting similar research works within other organizations that fit set criteria for the purpose of comparison.

ACTION LEARNING AND PROBLEM BACKGROUND

According to Reason and Bradbury (2008, p. 3), ‘action research is a participatory democratic process concerned with developing practical knowing in the pursuit of worthwhile human purposes, grounded in a participatory worldview’. In other words, action learningfor me involved working with my members of staff not just as observers but as co-researchers in resolving our workplace based problem.

Being an action research project, I learnt how to resolve workplace based problems as a scholar practitioner, which meant resolving workplace issues through scholarly knowledge, an in-depth knowledge of the workplace, its context and problems. Although I had inside knowledge of my organization, it was through action learning the scholarly element of a scholar practitioner’s role became clear to me. In other words, I wasn’t previously aware of the possibility of resolving a work place based problem through academic literatures, academic and organizational learning sets. Armed with this knowledge and know-how, I engaged in collaborative work with DBA module tutors, academic and organizational learning set members.

As previously mentioned, the current research topic “factors that influence capital structure decisions between owners of family businesses and their administrators in medium sized organizations“ (which was initially coined as “inadequate financing”) has a historical element to it which was previously discussed. Historically, past managers had been instructed to make do with limited financing from the family purse that only sustained the company for some time after which company operations were grounded. As the Managing Director of my organization I was resistant to this financial situation and vowed to resolve this problem or resign from the company to work with a better funded and profit minded organization. Towards this, I set up action learning sets within the organization based on the precepts of action learning towards a better understanding of the workplace based problem and collaborative work required in resolving it. This was also partly towards gaining acceptability for this research work and securing buy-ins from organizational stakeholders (stakeholders here represents members of staff in my organization, the Chairman and board of directors) and “co-researchers”.

Although the chairman and the directors had supported me in studying for the DBA course, they vehemently resisted the formation of action learning sets within the organization; especially after they discovered that it was purposed towards accessing external financing. Though other members of staff were in support of securing external financing, they felt the elements of action learning (action learning group meetings involving critical questioning, critical reflection etc.) were unnecessary and would not yield results. In a dilemma as to the next line of action, I in accordance with the action learning cycle (Coghlan&Brannick, 2010) continually consulted with module tutors and academic learning set members, regarding gaining acceptance for action learning and eventually resolving the problem of inadequate financing.

On reflection, part of the reason the members of staff had been unconvinced the problem of inadequate financing could be resolved was based on the fact that, it had been a problem that had existed for almost 20 years and had assumed the role of a “wicked problem”(Roberts, 2000).

Through critical questioning and constructive criticisms from DBA module tutors and academic learning set members, I consulted the literature on action learning and evidence based management (Briner et al, 2009). With evidence based management, members of staff in my organization were elated at the realization that there were organizations around the world that had experienced workplace based problems very similar to ours and had resolved them. On accessing literature relevant to our workplace based problems, I shared the information with my members of staff and they unanimously agreed to apply context relevant solutions from accessed literatures to our problem situations. Based on the positive outcome of this, members of staff became more interested in action learning as a means to resolving our workplace based problems. From this point on, workplace based problems were discussed within the organization by these learning set groups on a bi-weekly basis, after which issues were resolved. This followed the action learning cycle of

(1) Constructing the workplace issues to initially understand them by tracing their root cause and taking ownership of problems.

(2) Planning actions decided on from the constructing phase which includes consultations with academic learning sets, module tutors and the literature in an iterative manner.

(3) Taking these actions and then

(4) Evaluating actions taken for learning lessons and if necessary taking further actions in iterative action learning cycles.

STATEMENT OF PROBLEM

Decision making concerning capital structures for a family business is critical to its continued existence, as bad decisions could cripple its business operations and hence inhibit its survival. According to PricewaterhouseCoopers (2013) 50% of family businesses in the Asian region survive, while a research by Deloitte (2013) discovers that just about a third of family businesses worldwide survive to the second generation. In a similar fashion, Chaimahawong&Sakulsriprasert (2013) conduct a research on the Thai stock exchange between the years of 2000 to 2007 and discover a sharp decline in the number of family owned organizations from 57 to 38.

Considering the fact that family businesses around the world contribute to their countries' economies and in the case of this research work Nigerian economy, it is important that factors influencing capital structure decisions are unearthed so as to know how best to confront such factors. Although certain research works have researched on capital structure decision making from varying perspectives and contexts, no article has researched on capital structure decision making from the lenses of the owners and administrators of medium sized organizations in Lagos, Nigeria.

PURPOSE OF STUDY

The purpose of this action research study is to resolve my work place based problem by finding out the factors that influence capital structure decision making between the owner and the administrator of my organization. In other words, I intend to unravel the intricate complexities of this decision' processes towards better capital structure decision making. The research entails case study interviews with the owner and the administrator of my organization. In addition, through organizational action learning deliberations on resolving our workplace based problem, co-researchers decided that for the purpose of comparison, organizations similar to ours that fit in with set criteria should also be interviewed. Hence owners and administrators of 5 organizations were interviewed. During these interviews, important information towards answering the research question was divulged by research participants, as I asked important reflection questions that incited critical thinking and hence insightful/ relevant research data. I also employed critical questioning as an element of action research towards getting rich and relevant data.

As an action research work, this study may be the first to approach family business capital structure decision making through the lenses of family business owners and their administrators, and hence might be useful for future researchers beyond its primary purpose of resolving a workplace based problem. Family businesses, especially the ones in Lagos, Nigeria have peculiar characteristics that are contextual and hence shape the ways business decisions are made when the families that own the business are considered. These peculiar characteristics along with how they influence decisions through the lenses of family business owners and their administrators are all detailed in this research work.

RATIONALE

Beyond the workplace based problem within my organization, I over the years (of studying for the DBA course) developed a profound passion for capital structure issues within family businesses. This interest was further fuelled during interview sessions with research participants from other organizations based on the fact that, I had initially reckoned the workplace based problem was only peculiar to my organization. However on gathering data towards answering the research question, the passion for filling the literature gap concerning capital structure decision making became a priority for me. Based on this rationale, this study becomes important firstly to my organization and the field of capital structure as a whole because it endeavours to simplify the complications associated with financial decision making. This feat is however in fulfilment of Casillas &Acedo (2007) request for more research into other areas of family business apart from succession; hence it provides a new actionable knowledge in the field of family business. Also, family business owners and stakeholders could through the result of this study relate problems they might have in making financial decisions to the findings of this research. Likewise, our external environment like the suppliers and the distributors would benefit from this research, as they would be able to better understand the thinking process behind our capital structure decisions. This would enable them to structure their businesses around findings of this research towards improved business transactions.

RESEARCH QUESTION

Below is the research question that will be answered in this research work towards the production of new knowledge into the field of family business and also in bridging the literature gap in this field:

What are the factors that influence capital structure decisions between family business owners and their administrators in medium sized organization?

NATURE OF STUDY

This research work employs the action research (as previously enumerated on) and qualitative methodologies in answering the research question of this study. The case study approach of the qualitative methodology was used in gathering data from research participants through the interview method. The case study approach according to Creswell (2007) explores issues within one or more bounded systems through data collection methods such as the interviewing. This qualitative research approach (case study) enabled my intention in producing new knowledge for the family business field in general and capital structure decision making sub-field in particular. In achieving this, the interviews were conducted in semi-formal styles with questions that were void of "negative questioning", jargons and colloquialism (Creswell, 2007). Being a scholar practitioner carrying out an action research, I employed the action learning approach of critical questioning by asking "reflection questions" that produced data incited by deep reflective thoughts.

The research participants that took part in this study as previously mentioned were the family business owners and their non-family business administrators that were at the helm of organizational affairs regarding capital structure decision making within their respective organizations. Family businesses face several challenges in regards to decision making when compared to non-family businesses. The research participants all had lengthy years of experience working with their respective organizations and hence, were well qualified to provide adequate data for the study. Research results provided factors that influenced capital structure decision making from the lenses of family business owners and their administrators.

STRUCTURE OF RESEARH WORK

This research work consists of seven chapters. The first chapter (Introduction) provides the problem history, problem background, action learning impact and the purpose of study. Chapter two (Literature review) provides a brief history into family business, an in-depth analysis of family business theoretical fundamentals and introduction into family business through relevant literatures. Literatures on capital structures, Nigerian business capital structures and medium sized family firms are critically analysed after which I critically review the aforementioned literatures. In concluding the chapter, I point out the methodological limitations of reviewed articles and present a summary.

The methodology chapter (chapter three) describes in detail the research methodologies employed in conducting this research, especially how this work combines both the action research and qualitative methodologies (case study approach). The research design is then presented followed by data analysis, action research cycle, ethical consideration and summary. The data analysis chapter (chapter four) consists of the sections, data analysis, research participant demography, case description, process of analysis, category analysis /research results, comparative analysis and summary. The fifth chapter (discussion) presents my capital structure mind-set and ways in resolving capital structure decision making problems from a Nigerian perspective. Thereafter, I discuss the present capital structure situation in my organization, a proposed capital structure model and summary. The action chapter (chapter six) enumerates on the actions involved in this research and background processes leading to these actions, while the reflection and conclusion chapter (chapter seven) provides a description of my reflection concerning this research work.

The next chapter hereby presents a review of relevant literatures on capital structures.

CHAPTER 2: LITERATURE REVIEW

INTRODUCTION

According to Croci et al. (2011); Ellul (2010) and La porta et al. (1999), an organization is described as been family owned when the owner, descendants or members of a family are shareholders either individually or jointly and own a stake of 20 % or more in the organization. Other authors such as Franks et al. (2010) and Andres (2008) apply 20% and 25 % as stake bench marks but the wider literature agrees on 20 %.

Previously, research concerning differing capital structure choices had been produced however, there has not been much research in the area of factors resulting in these choices. These past research works had mostly focused on organizations listed on stock exchange of countries (Ampenberger et al, 2013) at the expense of family owned businesses, comprising of small and medium family operated businesses (Koropp et al, 2013 and Molly et al, 2012). These literatures also hold it that small sized family businesses employ differing financial decisions in contrast to their non-family counterparts. According to Ampenberger et al (2013), a whole lot of data remains unavailable based on the complications of accessing good enough data on these businesses, which makes it important and necessary to carry out in-depth studies into this area.

The aim of this research is to take an in-depth look into the issues responsible for influencing capital structure decisions between owners of family businesses and their administrators, especially in regards to bridging the gap in literature from the peculiar Nigerian cultural perspective; as Fama& Jensen (1983) state that the division of ownership and control brings about asymmetric information between owners and administrators of organizations (principal-agent theory).

In addition to this, they put it that the administrators in this case tend to firstly satisfy self-interests at the expense of owners wants, which in-turn brings about moral hazards (Holstrom, 1979) whereas, Schulze et al (2002) in contrast to Holstrom's stance argues that the participation of ownership in organizational decisions deter administrators from acting against ownership interest.

Although there exist research works on some aspects of capital structure decisions, a gap remains in regards to the aforementioned area of focus. In view of this, I intend to somewhat answer my research question through a critical and thorough review of past literatures by providing a clear understanding of what capital structure decision making entails.

In the process of searching for articles for this literature review chapter, I realized the need to analyse relevant literatures so as to properly situate my research work within the identified literature gaps. Towards this, I accessed the University of Liverpool Online Library and performed rigorous searches for relevant literatures using the available individual databases such as Emerald, Sage, Oxford Journals etc. Several literatures were returned from this search but I had to scrutinize each of the literatures to select the ones that were very relevant to answering the research question. These literatures were current and touched on the heart of the matter which is part of the reason they were selected. The selected literatures were divided into four groups which represented the literature review for this work. 4

literatures were selected for the family business section, 7 literatures were selected for the Capital structure section, 4 literatures were selected for the Nigerian business section while 2 literatures were selected for the medium sized family firms section.

The sections of this review are as follows:

(1) The history of family business
(2) Theoretical fundamentals
(3) Family business
(4) Literature analysis
(5) Critical analysis
(6) Methodological limitations
(7) Summary

These sectionsdepict a holistic picture of capital structure decisions, as a precursor to discovering the factors that influence capital structure decisions within the Nigerian context as stated in the research question.

The history section provides a brief history of the family business field. The theoretical fundamentals section explores key capital structure decision theories while the section on family presents an introduction into the field of family owned businesses through a critical analysis of relevant literatures.

Under literature analysis, relevant and current literatures on capital structures are individually analysed. These literatures are then critiqued and evaluated based on their relevance to capital structure decisions in the Nigerian context. The methodological limitations section explains how I analysed literatures through the lenses of their methodologies.

Lastly, the conclusion section wraps up this chapter through a recap and introduction into the next chapter.

HISTORY OF FAMILY BUSINESS

According to (Miller & Le Breton-Miller, 2007 and Davis &Harveston, 2000) the research on family business is lacking and grossly understudied. Hence literature on family business will be reviewed as far back as the 50’s due to the apparent lack of the family business literatures and the newness of the field of study.

Researchers in the family business field have over the years recognized the fact that family owned organizations have outnumbered other types of organizations all over the world (Coli, 2003). Also, considering the fact that most family business literatures were published during the last decade, it can be concluded that this area of study is somewhat new.

This newness has been in part associated with the point that there are differing definitions of family business which do not correlate (Coli, 2003), based on the question of whether or not there is a difference between family and non- family businesses. As a result of this notion, it is argued that the field of family business has no grounds for being studied separately (or deserving of its own area of concentration) from non-family businesses (Chrisman et al, 2003). Likewise, Astrachan and Shanker (2003) stress the necessity for a precise definition, as family owned organizations consist of about 25 million of the businesses in the American economy, which in order words amounts to around 90% of tax returns.

Family business authors like Sharma, 2004; Chrisman et al, 2003 and Bird et al, 2002 have all revised accessible literature after which these literatures were differentiated into past, present and future research works. Historically, succession issues in leadership have been on the fore front of issues affecting family businesses as discovered by earlier researchers, whose primary interest in the family business field was in regards to succession (Poza, 2007). This in part owes to the fact that many of the first generation family business owners are now retiring, bringing about the keen interest of these researchers. Coming back to recent trends, the outstanding performance displayed by big organizations when likened to non-family businesses has sparked a good level of debates in the family business scholarly field, as Anderson and Reeb (2003) show that family owned businesses in the standard and poor 500 outperformed their non-family counterparts.

Family owned organizations have been described to be conscious of delivering quality service, customer focused and socially responsible; which are attributes that that make them outperform their non-family business counterparts (Ibrahim, 2008).

THEORETICAL FUNDAMENTALS

Modigliani and miller

Since the write up by Modigliani & Miller (1958) surfaced, various scholars have taken turns in analysing their stance which has produced varying factors that influence capital structure decisions through the use of equity and/ or debts.

Modigliani and Miller were two professors who intensely studied issues concerning capital structures. Through their studies, they propagated two theories regarding firm capital structure and firm value. The theories are as follows

(1) Modigliani and Miller Capital structure irrelevance proposition puts it that in a perfect market situation, the funding pattern of a firm (firm's capital structure) does not affect it value in any way. Rather they discover that the value of a firm is dependent on principal asset risks and its earning power.
    Looking at their proposition from a different perspective, they suggest that the costs of taxes and bankruptcy are non-existent hence, no matter how many times a firm alters it capital structure, its weighted average cost of capital (WACC) is expected to be unchanged. In other words, the number or volume of debts acquired by a firm does not accrue to any tax benefits and hence no positive effect on the WACC. Here what this proposition implies in summary is that a firm's value is unaffected by the way the firm decided to finance its capital structure. However, other authors like Myers (2001); DeAngelo and Masulis (1980) and Jensen (1986) have

argued against this stance that the financial structure of a firm undoubtedly influences its value. Myers (2001) states that ‘the chief reason why it matters include taxes, difference in information and agency cost’. The interest benefits of taxes on debt financing as against the expensive cost of bankruptcy defines the “trade-off theory” as propagated by DeAngelo and Masulis (1980). In furtherance the free cash flow theory by Jensen (1986) also contradicts the proposition by Modigliani and Miller by stating that the compulsory commitments to repay interest on debts reduces agency cost by eliminating free cash flow thereby positively affecting firm value.

(2) Their second proposition (The Trade-off theory of leverage) states that there are advantages to financing firm operations through debts because of the tax benefits enjoyed on interest payments. As an example, a firm’s tax liability is effectively minimized through bond issuance (because it is tax deductible) while the payment of dividends on equities is not tax deductible. This connotes the fact that as firms access debts, their values are positively influenced because of the tax shield benefits they enjoy as against bankruptcy cost. This proposition agrees with the Trade-off theory as described above but contradicts the Pecking order theory which propagates that firms would rather access internal funds to finance their operations before considering the tax advantage of debt financing (Modigliani & Miller (1958).

Theoretically most recent works on capital structures have emanated from the works of Myers (1984) and DeAngelo and Masulis (1980). Myers (1984) based partially on the research of (Myers and Majluf, 1984) conducted research and termed it as the Pecking Order theory, which was based on the principle that firms will consider debt financing at the expense of equity financing only after internal sources of funds have been exhausted. Chittenden et al (1996) puts it that the pecking-order theory particularly centres on small family businesses based on the expensive credit costs of securing loans in contrast to medium and large sized organizations.

On the other hand, the trade-off theory as propagated by DeAngelo and Masulis (1980) states that the “observed capital structures in the pecking order theory are the results of organizations trading-off the tax benefits from an increased debt usage, for the dangerous cost of financial distress which arises from high debt ratios”.

SIGNALLING, ORGANIZATIONAL CHANGE AND DECISION MAKING

Signalling: Signalling according to Ross (1977) defines how firms use their capital structures to signal out privately held information. Firms that fall into the pecking order category of financing their operations through internally generated funds (because they tend to avoid a loss in their value or face selection problems) would not be able to signal their value by altering their capital structure (Ross 1977). According to Leland and Pyle (1977), the main point of the signalling theory is that there is always a favourable response from the market to the debt issues while the market reacts negatively to equity issues. Furthermore they discover that the positive response to transactions that bring about a surge in leverage well supports the signalling theory as observed in Baker et al (2003), Antweiler and Frank (2006) and Masulis (1980). However, Eckbo (1986) discovered that in certain cases, debt issues do not support the signalling theory. In line with this fact Antweiler and Frank (2006) discover inconsequential changes in the prices of stock in response to signalling theory.

In other research works, some researchers find that firms that issue equities outperform their forecasts before and after the issues (Loughran and Ritter, 1997, Jain and Kini, 1994), while other studies analyse firm performance after alterations in their capital structures. Shah (1994) posits that the risks associated with businesses drop significantly after being leveraged but rise after being under-leveraged.

Organizational change: Kurt Lewin's organizational development study in 1946 initiated change research (Burnes, 2004) and his work has since metamorphosed into other fields like action research and applied behavioural science (Schein, 1988). From the work of Lewin, various theories have been propagated (Pavlov, 1960; Lovel, 1980 etc.) with the assumption that each of them could define human reactions.

Today's business environment is a continually evolving one that importantly requires change. Change has become the order of the day for firms that aim to maintain their business continuity and survival. According to Acknoff, 2006, firm heads along with their firms are responding to this changing business environment as a result of the change in strategic importance, innovation diffusion, human resources, etc. In order to lead successive change initiatives firms need to deal with obstructions that inhibit change while they take note of the consequences that result from change processes. Balogun and Hope Hailey (2004) in their research work find that only about 30% of change initiatives are successful and this point is further buttressed by recent findings (Jacobs et al, 2013) that this rate of failure remains the same.

Today firm executives all over the world are rallying round to ensure they get the right methods for successfully orchestrating change processes, especially during economic crisis and downturns. However even as there has been several change procedures from different researchers, scholars etc. it is apparent that these procedures are not adequate enough to solve the vast context based change situations around the world (Burnes and Jackson, 2011). The proposed strategies and procedures for successful change need to be unified into a structure aimed at resolving change issues (Goes et al, 2000). Yet, for any change initiative to be successful, there needs to be a change agent championing the change regardless of obstacles and opposition. Kant (1985) argues that it is critical for organizational leaders to assume the role of change agents by "developing an understanding and high degree of competence in creating and managing change so that their organizations can survive".

Decision making: According to (Zhong-Ming Wang, 1994) the issue of "democracy and effectiveness in decision making in organizations has been an area of increasing attention and interest". As an example of this he states that the countrywide aspirations to attain "high-tech innovations" and reform in firms have made the "research into organizational decision making a matter of urgency". Furthermore he finds that power and participation are critical features that determine a firm's efficiency in making decisions.

Concerning firm capital structure decision making, several works have studied to discover what the factors that determine capital structures of firms are. This they have done based on the research work carried out by Modigliani and Miller (1958) as previously discussed. The most influential of these studies are the Trade-Off theory (DeAngelo and Masulis (1980) and Pecking Order theory (Myers, 1984).

FAMILY BUSINESS LITERATURES

Towards introducing the field of family business and answering my research question, I reckoned it was necessary to proceed by analysing literatures on family business which is the general area of focus for my research work. Considering the fact that I am investigating capital structure decisions within a family business, it is important to understand family business itself. To achieve this, I searched for literatures on family business across databases and came across 8 literatures that centred on family business and pressing issues. However on closer scrutiny I selected four research works that discussed in great detail issues at the heart of family business. The articles are as follows:

(1) Family business and business history: An example of comparative research. (Colli and Larsson, 2013).

(2) Financial decision making in Family firms: an adaptation of the theory of planned behaviour. (Koropp et al, 2014)

(3) Capital structure decisions in family firms: Empirical evidence from a bank based economy. (Ampenberger et al, 2011)

(4) Capital structure choices of family firms. (Gottardo and Moisello, 2013).

The critical analyses are as follows:

1

Family business and business history: An example of comparative research. (Colli and Larsson, 2013).

The researchers here found out how cross-national comparisons could aid in further developing the history of business research. In other words they set out to discover the results of using comparative business history with a specific reference to family firms. They further state that their study could additionally help in understanding the important factors that make it possible for family owned firms to benefit from long term survival, as well as the governance problems they sometimes face; which is connected with family control and ownership. In particular, my interest in this body of work is to analyse family business history as a precursor to analysing capital structure literatures. Also, I would like to discover what makes family firms last long. They discover their findings by comparing family firms in Italy & Sweden through comparative analysis.

Their comparison showed that the development of family businesses in these two countries exhibited extensive similarities during the earlier decades of the twentieth century however after the World War 2, they put it that the two countries developed into having more diversified industrial structures. While the Swedish family firms metamorphosed into becoming a crucial part of big businesses nationally, Italian family businesses settled into smaller and more flexible firms. As a result of this they, family owned and controlled firms in Sweden belong to the group of largest Swedish industries; specifically in the capital and technology intensive industry. On the other hand, they put it that although firms in Italy are amongst the largest in the country, they are domiciled within industries other than the capital and technology industries. Also, they state that these Italian firms 'show a degree of organizational sophistication inferior to their Swedish counterparts.

In the process of carrying out their findings, they provide a quantitative basis for their comparative analysis by selecting the top 15 family firms in Sweden and Italy by turnover in the year 2010. They employ a combination of comparative and longitudinal approaches which gave room for the testing of how institutional environments could structure the contribution of family owned firms to the "macro-dimension of the domestic industrial system". Their findings were not well backed up and contradicted by opposing views, which I reckon was based on the fact that they set out to pinpoint the possibilities and problems with the comparison approach of previous researchers.

2

Financial decision making in Family firms: an adaptation of the theory of planned behaviour. (Koropp et al, 2014)

By adapting the planned behaviour theory to the subject of family firm choices, they contend that financial decisions in family owned firms are greatly influenced by 'family norms, attitudes, perceived behavioural control and behavioural intentions'. In relevance to my research work, I intend to compare their findings to my research results in regards to how their findings influence capital structure decisions.

They find that family norms and attitude in regards to debt and external equity influence behavioural intents to employ each funding choices, which consequently influences financing behaviour. However, the perceived behavioural control was found to negatively influence behavioural intentions to make use of external equity and as well found to be positively related to the use of internal funds. In breaking the first point down, more favourable norms towards the use of external debt leads to more positive behavioural intentions to use debt financing. Similarly family norms towards the use of external equity are strongly related to behavioural intentions to use external equity financing. This study was conducted on 118 companies in Germany through a time lagged sample estimated via structural equation modelling. This sample was taken from Hoppenstedt database for German companies, and companies with at least 750,000 euros sales in the year 2007 were included in their sample. They explained that for the purpose of ensuring their research sample was sufficient enough to back their findings, 2,200 firms were randomly selected and sent questionnaires, after which 362 questionnaires were responded to which represented a 16.5% response rate. However on the second round of survey, they got 118 firms that responded. The fact that they intended a large sample size (an initial sample of 2,200 firms) and arrived at 118 firms shows that their findings are backed by their intention. However I cannot categorically state that their sample is representative enough but this is then again dependent on the response rate.

Concerning support for their findings, they very well backed their discoveries with existing literatures i.e. in regards to how their models re-specification were consistent with the Pecking-order theory (King &Santor, 2008; Lopez Gracia& Sanchez-Andujar, 2007). Also they showed how their findings were challenged by existing literature i.e. how existing literatures contradict their findings that norms have a profound effect on intentions (Ajzen, 1991). In addition, their findings are also underpinned by the pecking order theory (as earlier mentioned) and consistent with the theory of planned behaviour as they state that ‘furthermore and consistent with the theory of planned behaviour, attitudes towards external debt and external equity are positively associated with intentions to use that type of debt and equity respectively’.

3

Capital structure decisions in family firms: Empirical evidence from a bank based economy. (Ampenberger et al, 2011)

Studies here are carried out to discover if founding families influence capital structure decisions and if so, how they do influence. The way in which business owners influence capital structure decisions is of particular interest to me based on the fact that my research bothers on issues of capital structure decision making. By investigating 660 listed German firms they carry out these studies.

Their findings show that the impact of family on family owned businesses are fuelled by family involvement in businesses. Also they discover that the presence of a founder C.E.O in a firm brings with it a strong negative influence on the leverage ratio levels of the firm. In all, their findings present a “strong negative and casual relationship between family firm characteristics (especially family management) and the leverage level”. They conducted their studies through an unbalanced panel of 660 German firms that were tracked between 1995 and 2006 due to data availability constraints. They further state that 1995 was the beginning of their sampling period because the “quality of ownership data” in Germany was not reliable until then. Similarly they ended their sampling period in 2006 because this was the ‘last year with available ownership, accounting and capital market information when constructing the dataset’. In furtherance they state that firm founder information was hand collected through the history section of the Hoovers online database, while unavailable information was sourced from firm homepages and press research form Factiva and LexisNexis. Based on the deep description of their methods and their sampling process, I would say their work appears to be convincing.

Research results were barely supported by existing literatures as they merely backed findings under each finding section with one literature. I.e. under the section of family firms vs. non-family firms they use Lemmon et al (2008) while they use Bertrand &Mullainathan (2003) under the Founder C.E.O section. Contradictory literature findings were not applied at all however, under the control variables section, they theoretically underpinned their findings by stating that ‘findings are largely consistent with standard capital structure theories & the recent empirical findings of the U.S. & Germany’ as presented in Fran &Goyal (2009) and Elsas&Florysiak (2008) respectively.

4

Capital structure choices of family firms. (Gottardo and Moisello, 2013).

The determinants of capital structures of unlisted medium to large Italian firms along with how family governance related factors impact on them was investigated in this research. In accordance with their study, I would like to deduce from their work how family governance factors impact on the determinants of capital structure as it concerns decision making. They endeavour to answer their research question by analysing the relationship between a set of capital structure determinants and leverage in a unique dataset of 3,006 family & non-family Italian medium large firms.

Their findings show that capital structure choices of medium large firms are linked to balance sheet variables not used in former studies i.e. net working capital & capital turnover, and are significantly affected by the need to maintain control and influence. In addition they discover that family firms are more leveraged than non-family firms but the difference is economically and statistically significant only for medium-large companies. Also they put it that the presence of family in active management increases leverage, as the family endowment in the firm is higher. In discovering these findings they analyse a dataset sourced from AIDA (Italian digital database of companies) of 3,006 Italian firms, which according to them is the most reliable financial information source about non-public companies. In proving the credibility and dependability of their work, they state that they 'hand checked all balance sheet data from the period of 2001 – 2003 in order to correct errors resulting from the transition of lira to Euro'. They also checked all ratios for outliers to avoid them distorting the analysis result. They deeply analyse their methods and enumerate certain corrective measures in proving the credibility of their work.

As they back their work up with existing literatures, they also underpin their stance theoretically. As an example they state that 'their results show a significant difference in financial choices of private family and non-family firms and confirms the result of empirical studies carried out by Anderson and Reeb (2003b) and Setia-Atmaja et al.(2009)'. They add that their results are also consistent with theoretical papers (Fulghieri and Suominen, 2012) that argue that 'poor corporate governance (entrenched firms) can lead to greater debt financing'. Likewise they present contrary findings to their results as they state that their findings as regards profitability are in contrast with Ellul's (2010) evidence.

CRITICAL ANALYSIS

This section analyses literatures relevant to capital structures and capital structure decisions under the sub sections of capital structure literatures, Nigerian business literatures and literatures on medium sized family firms. All the literatures in this section are firstly analysed before a combined critical analysis (under the critical analysis section) so as to provide thorough evaluations for individual research works in relevance to their contexts.

CAPITAL STRUCTURE LITERATURES

(1) Family control and financing decisions. Croci, E and Doukas, J. A. (2011)

(2) Performance, valuation and capital structure: Survey of family firms. Gama A. P. andGalvao J. M. (2012)

(3) Family values: Ownership structure, performance and capital structure of Canadian firms. King M. R and Santor E. (2008)

(4) Ownership concentration, contestability, family firms and capital structure. Santos, M. S. et al (2013)

(5) Intergenerational differences in family firms: Impact on capital structure and growth behaviour. Molly. V et al (2011)

(6) How does Ownership structure affect capital structure and firm value? Driffield N. et al (2007)

(7) How do Family ownership and founder management affect capital structure decisions and adjustment of SME's? Burgstaller J. and Wagner E. (2015)

1

Family control and financing decisions.Croci, E and Doukas, J. A. (2011)

The authors of this article undertook this research work towards discovering their findings by studying an European dataset that spanned over a period of 10 years (1998-2008).

I chose to critically analyse this research work because the researchers studied the financing behaviour and decisions of family firms. I also sort to ascertain (through their lenses)how family firms behaved (decision making process) in making capital structure decisions and how this behaviour influenced their financing decisions. In addition, I realized that their findings were relevant to answering part of my research question, as their body of work discovered financing decisions and behaviours of family businesses that shed light on the factors that affect capital structure decision making, which is my research area.

As discussed that their body of work sheds light on answering my research question, their claims that

(1) Organizations within which their founders assume high level positions tend to favour debt financing based on their fear of loss of control through equity financing

(2) Family firms prefer debt financing

(3) Family firms fear prefer low risk investments

are relevant to my review questions although this is also dependent on how convincing their methods and samples are. Their study sample encompasses 777 European firms from 12 countries over a period of 10 years with each firm having a minimum of $250 million as their total asset value. However, they state that their findings are representative of the European continent but their study only covers 12 out of 50 European countries, which to me is not representative of the European continent and not convincing enough. Although their data set is sourced from 777 organizations which seems to be quite a number, a question remains as to how many family firms are relevant to this research across Europe and whether or not the results of their study will be different if excluded family firms are included in the study.

They support their findings for size and collateral well enough as the findings on positive and significant coefficient for size and collateral is supported by Hirsh &Walz (2011) while the discovery that firms with higher cash reserves have lower debts is supported by Lemmon &Zender, 2010). Also, they put it that their results correlate with Fulgtrieri&Suominen (2008) findings that poor corporate governance (entrenched firms) could result in higher debt financing and that John &Litov (2010) findings that entrenched managers opt for less risky investment opportunities and make more use of debt financing. However, their findings under the section of equity financing where not supported,while the findings under the debt financing heading were only partially supported by other literatures. On the other hand, they argue that their findings contradict the entrenched management literature which states that entrenched managers do not opt for debt financing in a quest to reduce risks.

According to the researchers of this article, the trade-off theory underpins their findings that family firms tend to favour debts rather than equity, which in other words point to the fact that their findings are theoretically reinforced. Their main discovery that family firms prefer bank debts at the expense of equity financing is consistent with my experience in the field of family business, as family owned firms in Nigeria would rather opt for debt financing based on their fears that they will lose control of their family businesses due to shared equity ownership. Hence owing to the fact that these findings are relevant to my experience, I will take into consideration elements of their work in undertaking my research. Most importantly the point that a dislike for equity financing negatively affects capital structure decisions for equity financing and positively affects capital structure decisions for debt financing (as portrayed in their work), will be an important factor towards answering my research question.

2

Performance, valuation and capital structure: Survey of family firms. Gama A. P. And Galvao J. M. (2012)

I chose to analyse this article because the researchers investigated the effect of family as a controlling owner on the performance, valuation and capital structure of a firm. Furthermore, the way in which their research work impacts on capital structure decision making is of particular interest to me. They carry out their studies through a review of current literature in the relevant field of study. In addition, they find out that rather than opting for debt and equity financing, family firms make more use of self-financing which is a interpreted as a 'proof of control risk aversion of family firms' (e.g. Gallo and Vilaseca, 1996; Mishra and McConaughy, 1999; McConaughy et al., 2001). They further state that even though there is a yearning to retain control, the yearn to avert risk is higher, which according to them could be attributed to the fact that the owners of family businesses tend to safeguard their financial and non-financial benefits that creates a business direction reaching far into the future. This contrasts with the perspective of a 'short-term oriented manager with a time horizon from a few years to one working life'.

On the other hand, although they reviewed current literatures in their area of focus, there was no mention of the number of literatures reviewed, which to me might not be representative enough (i.e. whether or not the literatures analysed where enough to reach their conclusions) to strengthen their findings. Their claims under the section of family ownership & firm performance, family control & firm performance etc. were well supported by relevant articles (Adams et al, 2009; Falhenbrach, 2009) and corresponding theoretical standing i.e. the trade-off theory. As a matter of fact, they dedicate a whole section to discussing capital structure theories and how these theories are relevant to their findings. As an example the different perspectives the agency and pecking order theories bring to their research in terms of how they influence financing decisions shows that their work is theoretically underpinned. Even though they present contrary findings that challenge their findings (i.e. the argument on separation of control Demsetz&Villalonga, 2001), they do more of providing literatures that support their findings; which could be interpreted as their way of strengthening their findings.

In line with my professional experience their claims regarding self-financing is well known to me as very traditional Nigerian family firms with deep rooted cultures steer clear of debt financing based on their fear of company takeovers, high interest rates, exorbitant collateral demands and short payback times. On a more personal level, I have experienced this within my company. Hence this body of work will benefit my research enormously towards answering my research question.

3

Family values: Ownership structure, performance and capital structure of Canadian firms. King M. R and Santor E. (2008)

This study is of interest to me and relevant to my work because as it investigates how family ownership affects performance, capital structures and probably capital structure decision making procedures. Their findings are deduced through a comprehensive study of 613 Canadian firms over an 8 year period through a collection of annual company annual data. Of importance to my research work is their finding that organizations with control enhancing mechanisms can opt for equity financing without necessary losing control of their firms. Furthermore according to them, the strong point of their research work is that in contrast to previous research works that have studied their area of focus by concentrating on countries with contrasting legal, regulatory and market institutions other than the U.S, their work has focused on the aforementioned fields in relation to the U.S. Also they show that family businesses that operate dual class shares and pyramidal firms hold lower financial leverage when compared with firms that operate on single shares.

Their methods follow a process of data collection from 613 Canadian firms over a period of 8 years towards discovering their findings. They go a step further in strengthening their findings as they state that 'to their knowledge their sample is the largest & most comprehensive database of Canadian ownership' which to me represents a statement of fact that appears to be testable and hence makes their work convincing and somewhat dependable. However, their findings are not well supported by other literatures and are as well not well challenged by other literatures. In a similar vein, they embed their work in non-traditional theories such as the ownership concentration theory rather than the Pecking order and trade-off theories which relates to the fact that, their work may not be theoretically grounded.

Contrary to my wealth of experience in the field of family business, their findings concerning opting for equity financing while retaining business control is a new discovery for me; one which I would look into towards completing my research work. Hence this new perspective would shed more light on my research.

4

Ownership concentration, contestability, family firms and capital structure. Santos, M. S. et al (2013)

I selected this article for analysis because the researchers here found that family firms have significant impact on firm leverage level and this impact also varies depending on legal frameworks and institutional environments. Particularly, I am interested in finding out from this article the way in which legal and institutional environment affects capital structure decisions of family firms, because I would like take these factors into serious consideration in conducting my research. The researchers carry out their findings through a sample of 694 firms from 12 western European countries through data from Amadeus.

Expatiating further on their findings, they put it that capital structure decisions are not only as a result of an organization's characteristics but in addition 'ownership concentration, the identity of the principal block-holder, the legal framework and institutional environments of the countries within which the firm operates'. Concerning their methods, they ensure that varying legal systems are well represented in their sampling of 694 non-financial listed firms from 12 western European countries. The fact they clearly define their scope limited to 12 European countries and they also take into cognisance the variances within differing legal systems, certifies their work to a good extent but I cannot categorically state that the sum of organizations understudied in their work clearly represents a good enough sample for their research.

Their claims are well supported by past literatures and theories and an example is under the section of contestability and leverage where they explore how contestability of the major block holder, by other block holders, affects the leverage level . Here they solidify their stance with theoretical models of Bennedsen&Wolfenzon (2000), Gomes and Novaes (2006) and Pagano and Roell (1998). On the other hand, in regards to showing works that contest their stance, they do more of supporting their findings strongly as they also show the limitations at each stage of their research to enumerate their point.

Initially, I had never conceived the idea that legal frameworks and institutional environments could influence capital structures and firm leverage levels. This makes these findings contradictory to my experience but definitely relevant to answering my research question and these factors will be considered during my research work.

5

Intergenerational differences in family firms: Impact on capital structure and growth behaviour. Molly. V et al (2011)

Intergenerational differences and how they impact on capital structure and growth behaviour is understudied in this work. My actual interest in their work is how these intergenerational differences impacts on capital structure decisions and how these decisions are made within family firms. Hence I am interested in how their findings could aid in answering my research question. They employ a sample of 425 firms through secondary form of survey from surveys and publicly held archival data.

They carry out their studies to discover that without taking into consideration the connection between financing and growth, debt financing is directly influenced by family generations. However when the relationship between financing and growth is considered, debt is only indirectly affected by family generations through growth. They describe the strong point of their research through the aforementioned survey and publicly held data as they enumerate in great detail how they arrive at their final sample. As well, they support their survey response rate of 20.16% with Chrisman et al (2009) which somewhat strengthens their methods.

Their results are scarcely supported by literature and theory but are very much described towards reinforcing their findings. In addition their findings are consistent with my professional experience as I had in the past observed that first generations of family businesses are always more willing to fund their businesses when compared to the second and third generations. Hence their findings will be considered regarding the generational impact of the firm under study in my research.

6

How does Ownership structure affect capital structure and firm value? Driffield N. et al (2007)

The effects of ownership structure on capital structure and the value of a firm is investigated here and how this in turn affects how capital structure decisions are made becomes of interest to me, as I carry out investigations to answer my research question. They explore their findings through a firm level panel data from four European countries.

In addition, the researchers argue that contrary to literature findings on how the separation of cash flow from control rights could ultimately reduce shareholder value and might end up not been 'socially optimal' (Grossman & Hart, 1998; Harris &Raviv, 1988), the findings could be different when the following are considered (i) the separation of management from control Villalonga&Amit, 2006) (ii) the crucial relationship between capital structure and firm value (McConnell &Sarves, 1995) (iii) the significance of the dominant institutional environment describing the protection of investors in different countries (La Porta et al, 1998, 2000). In enumerating their methods they employ the panel data afore referred to over a period of 5 years as they solidify this with 2 articles (La Porta et al, 1999 &Bejaj et al, 1998), which they consider to be stable over the period of their analysis (1994-1998). They further state that they do not directly observe managerial shareholding in their data and that they capture the presence of a controlling manager. However, they do not state the research sample size for the purpose of ascertaining if their research is representative enough. In furtherance they do not describe their research process in detail.

Their findings are scarcely supported by the literature and their findings are not well grounded theoretically, as one barely finds reference to theoretical stands in their article. As well they do more of describing their work in detail in regards to how they go about their findings. Their research results are very new to me as this is the first time I have come across their results and as such, I intend to take carry out more research on these results and eventually apply the outcome to my research work.

7

How do Family ownership and founder management affect capital structure decisions and adjustment of SME's? Burgstaller J. and Wagner E. (2015)

They study the financing behaviour of family firms 'as this differs from how non-family firms operate their capital structures, based on an increased risk aversion and a desire to maintain control'. This financing behaviour coupled with the risk aversion and control factor, and the way in which it will be relevant to my findings, represent my reason for choosing to analyse this article. They carry out their research by studying 470 firms within a Bank based environment through a panel data study.

The researchers discover that debts from banks play critical roles in the capital structures of Austrian firms. They further find that family firms accrue higher levels of debt when compared with their non-family counterparts, which they argue is as a result of the yearning to maintain control by family owned firms. They add that this can also be a function of limited use of financing options or less important agency issues or been resolved by special relationships.

In furtherance they (Burgstaller& Wagner, 2015) discover in contrast to the risk reduction hypothesis that Austrian firms maintain high debt levels, which points to the fact that they are to a great extent affected by exorbitant financing costs. Also according to their empirical evidence, family firms curtail their debt levels when profit is on the rise but secure bank credit to sustain company growth (as confirmed by Degryse et al, 2012).

For their methods, they investigate 470 firms located in upper Austria with employees not less than 250 per organization over a 6 year period. According to them, they sourced their data from the Amadeus database of Bureau Van Dijk. On the surface their work appears to be convincing however a question comes to mind as to whether or not their sample is representative enough to back their claims.

Their work is well backed by literatures and very well challenged. Example of how they show their work is contested is as follows:

(1) In regards to family firms been slower in adjusting the debt ratio to the target (Lopez-Gracia& Sanchez –Andujar, 2007)

(2) Speed of adjustment to capital structure from their study is smaller when compared to other studies. Spanish SME's report an estimate of 0.35 (Lopez-Gracia&Sogorb-Mira, 2008) while Spanish firms show 0.51.

Their findings are somewhat familiar with my professional experience as there are some organizations in Nigeria that opt for debts at the expense of self-financing and equity financing.

NIGERIAN BUSINESS LITERATURES

(1) The effect of capital structure on profitability: An empirical analysis of listed firms in Nigeria. Salawu. R (2009)

(2) The determinants of capital structure of large non-financial listed firms in Nigeria. Salawu. R and Agboola. A. (2008)

(3) The effect of working capital management on the profitability of Nigerian manufacturing firms. Aregbeyen. O (2013)

(4) The relationship between ownership structure and firm performance: evidence from Nigerian listed companies. Tsegba. I and Ezi-Herbert. W (2011)

1

The effect of capital structure on profitability: An empirical analysis of listed firms in Nigeria. Salawu. R (2009)

Article one investigates the effect that capital structures have on the profitability level of non-financial quoted firms in Nigeria over a period of fifteen years to discover that, profitability of these organizations had spiralled downwards putting the average rate of growth figure at 38.58%, which signalled a negative downturn. Here I am interested in discovering from their findings, the possible influence capital structure decisions exert on the profitability level of a firm within the Nigerian context i.e. within my organization. The researcher has carried out this research work towards answering his or her research question by employing data from 50 non-financial companies listed on the Stock Exchange of Nigeria over a period of 14 years.

In furtherance, they state that there exists a low level of significance of firms capital structure on profitability, however a 'positive relationship exist between profitability and short-term debts'. Also, their study shows that Nigerian firms are dependent on external sources of financing and that of all Nigerian debts, the short term ones make up 60%, which according to them is representative of the fact that Nigerian firms make use of long-term debts selectively. They attribute the latter characteristic to the high interest rates associated with long-term debts in the Nigerian financial market, unstable exchange rates and 'uncertainty in the Nigerian economy'.

They gather secondary data from 1990 to 2004 of 50 non-financial firms listed on the Nigerian stock exchange. They mention that they purposely omit firms with unavailable data and also newly quoted firms from their study. Also, they exclude the 'financial and securities sector companies, based on the fact that their financial characteristics and use of leverage are substantially different from other companies'. They add that because companies within the financial sector (insurance firms, commercial banks etc.) operate different types of balance sheets when compared to non-financial organizations, they excluded firms within the financial sector from their study. From my experience within the Nigerian business context I would say as at 2009 50 non-financial firms should be representative enough to support their findings. Also considering they clearly state that they omit certain companies along with their reasons for this omission, I consider their findings to be adequately convincing. On the other hand, the only section they mention any theoretical stance is in the literature review section without necessarily strengthening their findings theoretically. In a similar fashion, their findings are scarcely backed with existing literature, while they do more of enumerating and describing their findings without presenting contrasting views regarding these findings.

In this article, investigations show that the management of an organization's capital structure has little or no impact on the returns on investment of non-financial quoted firms in Nigeria, however they argue that short term debts improve the profitability level of these firms rather than long term debts, as the firms referred to do not readily opt for long term debts due to the exorbitant interest rates etc. From my point of view, they state that capital structure decisions of non-financial quoted firms in Nigeria have little impact on profitability but they also state that short term debts positively impact profitability. From one perspective, these statements contradict each other as short term debts are part of an organization's capital structure decision and if they positively impact profitability then their influence cannot be said to be minimal. On the other hand when the statement is critically analysed, it may be that the researcher's refer mainly to the effect of long term debts on profitability which is why they have so concluded. An example of this is evident in their findings that 60% of debts are short term.

It is crucial to note here that their results only reflect on quoted companies on the Nigerian stock exchange which might or might not have family owned firms in the mix (as this was not categorically stated by the authors of the article). Hence irrespective of the results of their research and the direction to which it might lead me in my research, the fact that the research does not focus on family firms becomes a disadvantage. However, the Nigerian context (within which their research was conducted) would be an eye opener and a guide for my research work.

2

The determinants of capital structure of large non-financial listed firms in Nigeria. Salawu.R and Agboola. A. (2008)

Although this article focuses on the determinants of capital structure of large (non-financial listed) firms in Nigeria, when cross-referenced with the first article (Salawu, 2009); it discovers that profitability along with other factors influence total debt of these firms. Their research work studies these determinants across 33 firms over a period of 14 years. As previously stated, their results prove that profitability along with tangibility and company size are positively associated with total and long term debt; while growth opportunities are negatively related with total debts. My interest in the study is to discover how their findings are possibly influenced by capital structure decisions.

They put it that their empirical results suggest the financing choices of big firms in Nigeria could be described by the proposed trade off theory determinants. They add that capital structure has been grossly understudied in developing countries (such as Nigeria) based on the fact that the role of organizations in economic development had been downplayed and rendered less relevant by 'developing economies'. Secondly, there have been several funding source issues faced by firms in under developed economies (Bhaduri, 2002).

In consonance with the latter view (dearth of research in the capital structure field), I stated at the beginning of this section that my research work is important to the field of capital structure; especially within the Nigerian family business context. The reasons for this dearth as concluded by these researcher's will inform me and give me a sense of direction towards the study of capital structure.

Going further, they present that 'profitability has a positive impact on the leverage of firms in Nigeria' which according to the researcher's prove that the Nigerian firms take advantage tax benefits. In other words they state that large Nigerian organizations are considered to be profitable hence they are more likely to have a preference for debt financing so as to benefit from the tax shield. In a similar fashion they also find that Nigerian organizations have a preference for short term debts in contrast to long-term debts, which is a view supported by the researchers of the first article that 60% of debts are short term based on the conservative usage of long term debts. They posit that 'non-debt tax-shield are positively and significantly correlated with capital structure'. Hence they link this to the fact that large Nigerian organizations that possess huge tax shields are 'less leveraged' which is evidenced by the characteristics of Nigerian large firms and an attribute of the trade-off theory. The value of collateral was also found to be a crucial determining factor of how well debt finance was employed by firms. Based on their findings, this shows that an important positive connection exists between asset structure (tangibility) and long-term debt ratios.

Their research work was carried out through the study of first and second tier non-financial firms listed on the Nigerian stock exchange. They added that based on their assessments, they concluded that only 33 firms (with a minimum of five hundred million as market capitalization) fell within their description of large firms and these firms represented their sample. Their data was obtained through the secondary form of data gathering through annual reports and publications from Nigerian stock exchange. However I noticed that in the same way the researcher of the first article I analysed (Salawu, 2009) excluded the financial and securities sector from their sample, the researcher of this article took the same step. Furthermore the researcher of this article also cited the difference in balance sheet patterns of financial and non-financial firms as a reason for the exclusion. Their study is representative enough to back their findings as they categorically stated that they included the 33 firms that fell within their sampling criteria into their research sample.

In their findings section, they only make reference to the trade-off theory as such 'the trade-off theory predicts a positive relationship between measures of leverage and the proportion of tangible assets ', which is in support of their stance that large firms with tangible assets have their capital structure decisions well impacted by the availability of these assets. This shows how they intend to underpin their findings theoretically but their work is also very scarcely supported with existing literature except for where they support their stance with the point that 'most empirical studies conclude to a positive relationship between tangibility and the level of debt' (Rajan and Zingales, 1995; Kremp et al, 1999; Frank and Goyal, 2002). They however omit contradicting views to their findings.

In a similar fashion to the first article that shows a preference for short-term debt at the expense of long term debts, this second article also finds that large non-financial listed firms prefer short to long term debts which they discover is as a result of tax shields on debts. In other words the second article in a further step to the first article bases the reason for the preference of short term debts on tax benefits enjoyed by large non-financial firms in Nigeria.

3

The effect of working capital management on the profitability of Nigerian manufacturing firms.Aregbeyen. O (2013)

The third article analyses the association between the profitability levels of manufacturing firms in Nigeria and the efficacy of their working capital management. Accordingly, they base their research on the loop holes discovered in critically analysing Falope&Ajilore (2009) as they argue that the article didn't take into consideration the fact that working capital management differed amongst varying industries and their 'single use of ROA in measuring profitability. Although this research does not centre on issues of capital structures, I am interested in analysing this article along with its findings because my organization is into manufacturing and we have always had issues with working capital management; one which I believe is strongly connected to capital structure decision making. Hence I want to ascertain if working capital management issues are connected to capital structure decision problems. They investigate to deduce their findings by studying 48 large manufacturing firms.

Their results show that firms analysed were discovered to be inefficient in managing their working capitals which in-turn has led to a steady drop in their profitability levels. In supporting their findings, they evaluated and cited the following articles that backed up their stance: Shin &Soenen (1988), Deloof (2003), Padachi (2006), Raheman&Nasir (2007) and Karaduman et al (2010). They concluded that in other to improve profitability levels, the efficacy of working capital management had to be improved on.

In carrying out their study they empirically examine 48 Nigerian manufacturing firms that had been listed on the Nigerian Stock Exchange between 1997 to 2005, but they note that the period within which the financial records reflect span from 1993 to 2005 (thirteen years). Hence the year 1997 is employed as a basis for drawing their sample. Furthermore they state that data was sourced in the secondary form through annual reports and statement of accounts from each company in their research sample.

The findings are well rooted theoretically i.e. the reference to the traditional theory in regards to size and profitability, second is their work on Gilbrat's (1931) "law of proportionate effect" and the third is the "bigger the better theory" reference. The last two theories where applied by the researcher in strengthening the findings concerning large and small firms. On the other hand, their findings were not challenged by contradictory views but only strengthened by supporting literatures as previously cited. As I previously stated, working capital can be said to be a part of a firms capital structure and hence an important part of its capital structure decisions. So therefore, this informs me as a researcher of the effects working capital management decisions might have on capital structure decisions as it concerns my research work. Hence I will compare the findings here with my research findings towards answering my research question.

4

The relationship between ownership structure and firm performance: evidence from Nigerian listed companies. Tsegba.I and Ezi-Herbert. W (2011)

The fourth article understudies the relationship between firm performance and its ownership structure from the outlook of Nigerian quoted companies. In a likewise manner to the 3rd article (Aregbeyen, 2013), this work on the surface is not related to capital structure decisions but on studying my workplace based problem, I discovered that the influence of the ownership structure in my organization impacts on all aspects of our performance; hence our capital structure decision making process. This is why I am interested in analysing this article. They put it that though there are a whole lot of literatures that have researched on their area of focus, there is really no agreement; especially for a country like Nigeria where 'state owned enterprises' have been privatised on a wholesale level and have in the process 'adopted a variety of ownership structures with significant implications for corporate governance and firm performance'.

Their study sample encompassed 73 firms quoted on the Nigerian stock exchange over a period of 7 years (2001-2007). They importantly state that their main sample inclusion criterion was to only consider organizations that had adequate data on their 'ownership structures, firm performance measures and uninterrupted operation throughout the period'. Their findings are well supported by other literatures i.e. the negative relationship between concentrated ownership and firm performance Demsetz& Lehn (1985), McConnel and Servaes (1990), Demsetz and Villalonga (2001), Adenikinju and Ayorinde (2001). On the flip side, they also present literature standings that find a positive relationship between concentrated ownership and firm performance i.e. Alonso-Bonis& Andres-Alonso (2007), Bai et al (2005), Sanda et al (2005). However there are not theoretical underpinnings for their findings.

LITERATURES ON MEDIUM SIZED FAMILY FIRMS

1

The influence of managerial factors on the capital structure of small & medium sized enterprises in emerging economies. Borgia and Newman (2012)

The researchers here examine the significance of owner/manager characteristics in describing the capital structure decisions of entrepreneurial firms in emerging economies through the use of a sample consisting of small to medium Chinese companies. Their findings' regarding how owner / manager operations affect capital structure decisions of medium sized organizations is important towards answering my research question.

They find that capital structure decisions in china are predominantly affected by a strong dislike for external control and a tendency to take risk. Furthermore, they discovered that firm owners with enhanced networking affiliations less frequently have a need for debt financing because they have access to sufficient funds through unorthodox sources. In the course of their study, they employed both the quantitative and qualitative approaches as the 1st study had for its sample 154 questionnaires (a 51.3% response rate) while the 2nd study employed 24 interviews. They added that the questionnaire response rate was on the high side when compare to postal surveys (Curran & Blackburn, 2001).

They simultaneously provide articles that support and contradict their claims I.e. they find that their result of owner/ manager educational level not significantly influencing China's debt supply to its SME's to be consistent with a research on Australian SME's (Cassar, 2004 & Bates, 1990). On the other hand, their work is not theoretically underpinned and is well consistent with my experience, as owners of family businesses in Nigeria that are well connected socially use their connections to source for funds without accessing debts.

2

Ownership dispersion and capital structures in family firms: A study of closed medium-sized enterprises. Bjuggren (2012)

In this research work, the relationship between family ownership & capital structures in private (closed) medium sized organization is studied through a unique Swedish data of ownership in closed firms. Considering the fact that their study aims to discover the relationship between ownership and capital structures in medium sized organizations, I am very interested in relating their findings to my work; as my organization is a medium sized one.

Through their research work, they find that

(a) Ownership concentration does not affect the level of debt selected by an organization

(b) The age of a firm is negatively related to debt financing which in other words connotes the fact that as time passes by firms depend less on debt financing.

(c) As firm ownership changes from the controlling owner stage to the sibling stage, debt financing reduces

(d) Family or non-family ownership has no impact on a firm's capital.

From an initial sample of 2522 Swedish firms, further analysis reduced this size to 177 firms which was used to test private medium enterprises & leverage. A further sample of 78 firms was sourced from the initial sample of 177 firms and was used to test hypotheses 2 and 3 that concerned family ownership and leverage. Their results were well supported and contrasted as they for example put it that firm age was negatively related to debt; a point supported by Blanco-Mazagatos (2007).In presenting contradictory findings to their work Romano (2000) states that debt is positively associated with family firm age. On the other hand, their work is not theoretically strengthened.

CRITICAL REVIEW

After analysing individual literatures under different sub-sections, my understanding of these literatures in regards to how they are contextually relevant and irrelevant to Nigerian family business and capital structures, and eventually my research question is enumerated in this section. How these literatures belong to similar and different schools of taught, their theoretical standpoints, how they compare and contrast etc. are thoroughly evaluated towards situating my research work in the capital structure field and building a foundation for my body of work.

Capital structure literatures

At the heart of my research question is an inquiry into the factors that influence capital structure decisions, which from my understanding connotes intricate issues that impact on financial structure outcomes of firms. With this in mind I accessed capital structure decision literatures (in the previous section) and made certain findings that I reckon are important towards answering my research question.

Firstly 7 articles were analysed in this section of which 4 of them (articles 1, 2, 3, 7) identified funding patterns of various firms and internal factors that motivated this funding patterns. The remaining 3 articles (4, 5, and 6) focused on external factors (I.e. legal framework, institutional environment) and other factors that influenced how particular funding patterns were decided on by firms.

Articles 1 (CrociandDoukas, 2011) and 7 (Burgstaller and Wagner, 2015) which carry out their studies in Europe and Austria respectively discover that firms in these countries opt for debt financing. This choice could be related to various factors such as debt financing policies in these countries been firm favourable, firms having a reduced insistence on maintaining business control, firms considering debt financing as a control mechanism and "limited usage of financing options, either due to restricted access or by choice" (CrociandDoukas, 2011). From another perspective, it may be that the pecking order of their financing choices may end at debt financing (Croci and Doukas, 2011).

Article 2 discovers through a review of literatures that firms would rather opt to self-finance due to high risk aversion and an affinity to retain total control of their businesses, while article 3 posits that contrary to the fear of certain firms of losing control of their businesses through equity financing, it is possible to fund business operations through equity financing whilst retaining full business control.

Articles 4, 5 and 6 as previously mentioned discover findings that differ from article 1, 2, 7 in the sense that they do not research on types of financing employed by firms (i.e. debt, equity and self-financing), but concentrate on external issues that influence how these financing choices are made. While article 4 finds that capital structure decisions are dependent on legal frameworks and institutional environments of countries, article 5 discovers that debt financing is either directly or indirectly influenced by family generations dependent on finance and growth. The 6th article on the other hand argues that contrary to literature findings there are other factors that contribute to shareholder value reduction when cash flow is separated from control rights.

The pecking order theory which is described by Myers (2001) as a hierarchical order of financing options best describes the findings of articles 1, 2 and 3 in regards how they choose to select their choice of funding from a set of financing option as depicted by the research works. As an example article 1 puts it that firms prefer low risk investments while article 2 relates the self-financing option to risk aversion which depicts a selection of funding options based on considerations of risk. Also as the pecking order theory states that firms would firstly opt for internal funding (self-financing) before considering external financing, the way in which the researchers of these articles find that selected funding options are at the expense of other options (staring from internal funding),proves that these articles are underpinned by pecking order theory.

In the same vein, the researchers of the 7th article put it that more of their findings are centred towards the pecking order theory for capital structure decisions in Austrian firms, based on the fact that these firms are willing to access debts financing with high interest rates (resulting in lower cash flows) just to maintain business control. However, they put it that in this pecking order process whereby Austrian firms select their financing options, “several determinants are motivated by the trade-off theory”. In addition they postulate that ‘a strict targeting of an optimal debt ratio and, thus, the practical applicability of the TOT are probably obscured by a less than expected importance of tax shields for family firms’. Hence it is concluded that the nature, physiognomies and intentions of family firms at certain times make it difficult to base their decisions on traditional financing theories. From a different perspective it appears that these traditional theories might at times complement and contradict one another just as is described in the latter case of Austrian firms.

Concerning theoretical standpoints, articles 4, 5, 6 have no theoretical underpinnings as they do not research on financing options as previously discussed.

Considering the dearth of Literature on capital structures in family business in Nigeria, all I could access were 2 articles that studied capital structures of non-financial quoted firms and 2 other articles that investigated working capital management and effect of ownership structures respectively. However, considering the fact that from my experience in Nigerian business a good number of Nigerian firms are family owned, their findings might be relevant to capital structures in family business. In accordance with article 7’s (Burgstaller and Wagner, 2015) take on how Austrian firms used debts financing, two

Nigerian capital structure articles (Salawu, 2009 &Salawu and Agboola, 2008) found that Nigerian firms were dependent on debt financing; however, short term debts were preferred by these firms in contrast to long term ones due to high interest rates, unstable interest rates and economic uncertainty. In addition to this, the Nigerian articles discover that Nigerian firms alternate between the pecking order and trade off theories in the same way in which article 7 (Burgstaller and Wagner, 2015) finds that Austrian firms alternate between capital structure theories. Whilst the 1st Nigerian article (Salawu, 2009) leans towards the pecking order theory in selecting short term debts based on profitability levels, the researchers of the 2nd article (Salawu and Agboola, 2008) put it that "Nigerian firms possess huge tax shields" and hence are more attuned towards the trade-off theory based on its tax advantage.

Although the researchers of the 1st article (Croci and Doukas, 2011) agree with the findings of the Nigerian literatures concerning firms opting for debt financing, the reasons for this funding choice differ. While Nigerian firms (in the articles analysed) select debt financing because it is considered to be profitable, European countries select debt financing because of their fear of losing business control resulting from equity financing. Here in contrast to the Nigerian firms, European firms firstly consider high risks connected with losing controlling rights rather than possible profitability from debts financing. A question that comes to mind here is whether the fear of losing business control is more important than business profitability for family owned firms? But the fact that the Nigerian articles did not categorically quantify the inclusion of Nigerian family firms in their sample might account for the difference in reasons behind the funding choices of European and Nigerian firms. Yet as I previously stated that from my experience most firms in Nigeria family owned, there is a possibility that most of the firmsunderstudied in the Nigerian articles are family owned.

Judging from my experience in working with and consulting for Nigerian family firms, I tend to agree with the findings of Article 2 (Gama and Galvao, 2012)and its relevance to the pecking order of funding for Nigerian family businesses, as they state that European firms opt for self-financing based on the fear of loss of control resulting from debt and equity financing. As an example, in the organization where I presently work, all operations are internally funded based on the dislike for debt and equity financing as previously discussed. However the 3rd article in contrast to the analysed Nigerian literatures and my capital structure experience posits that it is possible for firms to employ equity financing whilst still maintaining business control. Although I do not see the relevance of this for Nigerian family firms, I reckon that either Canadian (where these findings emanated from) financial policies or some other contextual factor might be responsible for this. In general, it seems that from the articles I have analysed, debt financing appears to be the pecking order financing choice for firm capital structure decisions. As stated some of the reasons are tax benefits, profitability and maintenance of control, but it would seem that while some firms (Austrian firms in article 7) see debt financing as a means of maintaining control, some other firms (from the literature review of the article 2) observe debt financing as an easy way to lose business control. In the same way, Canadian firms view (3rd article) equity financing to be safe, Nigerian firms (from my opinion) consider it to be a way of losing business control. Indeed, there seems to be a disagreement on how firms are financed and also with issues that influence their capital structure decisions within different contexts.This relates to the fact that what works for context A might not work for context B. Going back to the 3rd(King and Santor, 2008)and 4th(Santos, et al, 2013)capital structure literatures that suggest legal frameworks, institutional environments, financial policies etc. as possible influencers of capital structure decisions, might it be that this decisions are influenced externally or internally or both? Answers to this question are some of the reasons why I decided to carry out my research work through action research within my organization.

In view of the fact that my research work understudies medium sized family firms in Nigeria, I critically analysed 2 articles that centred on capital structures in medium sized organizations. However due to the aforementioned literature dearth, I found no relevant literature on capital structures in medium sized Nigerian organizations.

The first medium sized firm article (Borgia and Newman, 2012) studied medium sized firms in china to discover that in consonance with the 2nd capital structure decision article, Chinese firms are "predominantly influenced by a strong dislike for external control" hence they opt for self-financing. Furthermore they add that firm owners with "networking affiliations" opt for self-financing at the expense of debt financing. This here shows that medium sized Chinese firms are also insistent of retaining control of their business but rather than opting for debt financing to retain their business (just as in the case of the Austrian firms), they do this through self-financing in a like manner to European firms. Although the fear of losing business control is dominant in this article (Borgia and Newman, 2012) and capital structure articles 1, 2 and 7, it is once again clear that how firms in differing contexts choose to maintain business control differs.

From a different perspective, the fear of control exhibited by Chinese firms and the discovered likelihood to fund their businesses internally is consistent with capital structure decisions of family firms in Nigeria (as I previously pointed out from my experience). The point that Chinese family firm owners would through their internal business network fund their businesses rather than opting for debt finance is at par with funding decisions taken by the owners of my firm. However, the 2ndarticlefrom a differing perspective postulates that ownership concentration in Swedish medium sized firms have no influence on debt levels. This point totally contradicts my experience as I have realized that the concentration of family members in a family business definitely influences debt levels, be it positively or negatively. This is also dependent onpower sharing amongst these family members i.e. a situation whereby the chairman of a firm has about 80% control thereby leaving 20% to be shared amongst the remaining family members and management results in authoritative capital structure decision that are bye products of this chairman's views. On the other hand, in a situation where the family members have almost equal voting rights, capital structure decisions are probably influenced by productive and reasonable thinking such as identifying the need for customer satisfaction, business expansion and profitably as against family control and generational succession would be priority. Furthermore in consonance with the 5th capital structure article (Molly et al, 2011) they discover that as a firms ownership changes from founding to sibling owners, debt financing reduces. From my perspective, family firms in Nigeria do not usually opt for debt financing as a first option from their pecking order due to high and unstable interest rates on debts and economic uncertainty. So most times decision making in this part of the world are always split between internally financing the business to expand and be profitable or just ensuring that the business stays in operation with minimal or average funding, so as to maintain the family name and goodwill. As an example, the founding chairman of the organization where I work invested heavily (self-financing) in business growth and expansion towards profitability whereas the current sibling chairman is just interested in keeping the company afloat, retaining business control and maintaining the family name and goodwill.

METHODOLOGICAL LIMITATIONS

Although I was tempted to agree with the findings of the various literatures I analysed, I had to take a step back to view this works through the lenses of their methodological limitations.This was because I realized that in other to consider their findings in carrying out my research work, I had to ascertain the credibility and dependability of the research processes leading to their findings.

Most of the articles I analysed under the “capital structure literatures” section were in my opinion not representative enough based on certain reasons. The 1st article (Croci and Doukas, 2011) stated that their results represented family firms in Europe but they only got samples from 12 out of 50 European countries, which in my view is not representative enough for their scope of study. Article 4 (Santos et al, 2013) through a similar scope but different study approach clearly stated that they studied 12 Western European countries and simultaneously took note of the differences in legal systems and institutional environments, but a central question remains as to whether their sample of 694 firms is truly representative. As an example of how a samples credibility is defended, Articles 5 (Molly et al, 2011) that studies intergenerational impacts on capital structures defend their 20.16 % response rate (425 firms) with Chrisman’s et al (2009) literature. In addition to this, the researchers of article 3 (King and Santor, 2008) clearly defend their sample size of 613 Canadian firms by stating that ‘to their knowledge, their sample is the largest and most comprehensive database of Canadian ownership’; which to me certifies their sample size. Articles 2 (Gama and Galvao, 2012) and 6 (Driffield, et al 2007) do not state their sample sizes at all while the last article under this section (article 7) appears not to be convincing based on its sample.

From a different angle, I analysed the methodological process of the 1st article (Salawu, 2009)under the Nigerian literatures section as such ‘from my experience within the Nigerian business context I would say as at 2009, 50 non-financial firms should be representative enough to support their findings. Also considering they clearly state that they omit certain companies along with their reasons for this omission, I consider their findings to be adequately convincing’.

In a likewise manner, the second article added that ‘based on their assessments, they concluded that only 33 firms (with a minimum of five hundred million as market capitalization) fell within their description of large firms and these firms represented their sample’ as such their study is representative enough to back their findings as they categorically state that they included the 33 firms that fell within their sampling criteria into their research sample.

From this analysis it is apparent that the Nigerian articles appeared to be credible and dependable based on their research samples.

Though the articles under the medium sized organizations section did not also convincingly defend their study samples, the 1st article under this section was the only article (of all the articles analysed in this literature review) that applied both the quantitative and qualitative methodologies through 154 questionnaires and 24 interviews. Particularly all the findings in this review chapter were carried out through secondary data gathering methods with the exception of this 1st article (Borgia and Newman, 2012) that conducted interviews. The reason why I have taken note of this point is that in conducting my research work, I intend to work though the methodological lenses of this articles but I realize that they all studied capital structure issues through secondary data gathering in contrast to my interview data gathering approach. This fact does not represent a problem or shortcoming for my methods as I consider my approach to be a new addition to the capital structure methodological process and as such an important input into the field of capital structures.

Also, apart from the observed dearth in Nigerian capital structure literatures, I observed certain limitations which are as follows:

(1) The Nigerian literatures focused on only firms listed on the Nigerian stock exchange
(2) They have not focused on capital structures in family firms
(3) They have all carried out their studies through secondary data gathering
(4) None of the literature have centred on capital structures in medium sized firms
(5) None of the literatures have studied the factors that affect capital structure decision from the lenses of firm owners and their administrators.

Therefore based on the fact that my research work will address the listed shortcomings in the Nigerian family business literature, I am certain that my research work would add new and actionable knowledge to the field of capital structures in general.

SUMMARY

The review of the literature provided an introduction into the subject matter and the family business history. The theoretical foundations of family business were enumerated on and related to current happenings in the family business field.

The review of literatures made it apparent that there is a dearth of literature in the family business field, especially as it concerns family business capital structure decision making. Literatures were individually analysed under different sections for the purpose of clarity and contextual representation. This analysis provided clarity in terms of how each research work arrived at their findings and corresponding methodological processes. Following this, these research works were grouped through a critical analysis to ascertain corresponding and varying themes, schools of taught and theoretical standpoints. It was discovered that although debt financing was mostly used, the reasons for debt financing selection varied across different contexts. This reasons ranged from control to profitability and pecking order last resort. On comparing these findings to capital structure decisions in Nigeria, certain articles were found to prefer self-financing as a funding option, which was in consonance with my perspective of the most accessed funding choice of family firms in Nigeria.

The methodological lenses through which the researchers conducted their studies were also examined towards ensuring that transference of their findings into my research work was credible and dependable.

Certain literatures were adjudged to be credible based on their methods while otherswere found wanting. Lastly, I was able to situate my work in the field of family business capital structure decision making by deducing shortcomings in the field and anchoring my work on addressing these problems. The next chapter will introduce and discuss the methodological process employed in conducting my research work as I take note of the methodological lapses of analysed literatures in this chapter.

CHAPTER 3:RESEARCH METHODOLOGY

INTRODUCTION

This chapter serves to explain and give an in-depth insight into the methodology and procedures that have been employed in this research work. The sections of this chapter include the research methodologies, the research design, action research project development and data analysis. The research question is as follows:

(1) What are the factors that influence capital structure decisions between family business owners and their administrators in medium sized organizations?

PURPOSE OF STUDY

The purpose of this research work is to take an in-depth look at the actual factors that influence capital structure decisions between family business owners and their administrators.

RESEARCH METHODOLOGIES

This research work employs both the action research and qualitativemethodologies in conducting this study. Greenwood and Levin (2007) state that the action research methodology must employ other methodologies such as qualitative, quantitative and other mixed method techniques as the need arises. These methodologies along with their corresponding approaches are discussed in the next sections.

ACTION RESEARCH

Action research may be defined as an emergent inquiry process in which applied behavioural science knowledge is integrated with existing organizational knowledge and applied to solve real organizational problems. It is simultaneously concerned with bringing about change in organizations, in developing self-help competencies in organizational members and adding to scientific knowledge. Finally, it is an evolving process that is undertaken in a spirit of collaboration and co-inquiry. (Shani and Pasmore, 1985: 439)

Considering the fact that this research is carried out within my organization for the purpose of resolving a work place based problem through the application of “applied behavioural science with existing organizational knowledge” whilst I am a full member of staff, this research work automatically becomes an action research work or action research thesis. In addition, this research work is cross referenced with external research (which involves a case study of selected family businesses) and is conducted within the precepts of action research through the application of critical thinking, critical reflection and metacognition.

Action research according to Coghlan&Brannick (2010) entails “research in action, collaborative democratic partnership and a sequence of events and an approach to problem solving”.

Research in action involves the steps of planning, taking action, evaluating action and procedures for further plans. Been a collaborative partnership, action research encourages active participation in the afore-stated research in action steps. This form of collaboration differs from other forms of research whereby individuals within the system are considered to be research subjects. Thirdly, conducting research within the boundaries of action research runs simultaneously with action, which aims at improving action while concurrently contributing to scientific knowledge.

Furthermore, action research is a sequence of events that entails data gathering, data feedback, "jointly analysing data, jointly planning action, taking joint action, evaluating jointly and leading to further joint data gathering".

Lastly (and more importantly as a justification to my using the action research methodology), action research as a problem solving methodology presents itself as 'as an application of scientific method for fact-finding and experimentation to practical problems, requiring action solutions and involving the collaboration and cooperation of the action researchers and members of the organizational system' (Coghlan&Brannick, 2010: 5)

The fact that I had over time approached the problems of capital structure within my organization through the action research approach, informed my decision to conduct this research as an action research towards the presentation of an action research thesis. Also been that I am part of the problem in my organization and also concurrently understudying the workplace issue as both a staff and a researcher, the precepts of action research fit in best with this research.

THE ACTION LEARNING AND COOPERATIVE INQUIRY APPROACHES

According to Revans (1998) the action learning approach best suits situations in which members of a system are clueless in regards "next steps" to take and within which this members can learn to pose "increasingly insightful questions from an origin of ignorance, risk and confusion" (1998:13).

Action learning approach acts as learning mechanism for developing members of a system (i.e. an organization). In contrast to traditional learning procedures whereby learning comes first before application, the action learning process starts with action and adheres to the principle of 'there can be no learning without action and no (sober or deliberate) action without learning' (Revans, 1998:85).

Revans created a learning formula from which action learning originated from. The formula $L = P + Q$ where L represents learning, P for programmed learning and Q for insight questioning. Central to action learning are these three processes:

1. An inquiry process into a problem situation based on the situations history, its occurrence, its wicked problems, and steps that have been attempted to resolve the problem situation.

2. Action learning employs scientific rigour by rigorously searching out solutions to problem situations through reflection and action.

3. Lastly, action learning involves group collaborations that allows for critical reflection and learning.

Action learning as an approach of action research has been applied in my organization since the inception of my Doctorate study till date (3 years), towards finding a lasting solution to the capital structure issues in my workplace. The action learning process was initiated though the creation of action learning sets that were made up of members of staff divided into different groups. These groups have been meeting weekly for the past three years with the main aim been to resolve the capital structure issues in my firm. During the learning set meetings, differing issues are discussed and deliberated on through methods of critical reflection, critical questioning and metacognitive thinking.

In addition through the **Cooperative inquiry approach** (Reason, 1999),I and learning set members in my organization have been involved in a "second person form of action research" whereby research participants collaborate as "co-researchers and co-subjects". These learning set collaborations are as such:

(1) Ambivalent attitudes and worries are thoroughly discussed after which areas of focus are agreed upon, leading to questions been set for further exploration

(2) Set members observe and record individual and group actions as products of group initiated options

(3) Through this, group members either deepen their participation through learning experiences or become interested in newer experiences resulting in fresh insights

(4) Lastly, after set periods (agreed upon by the group) in steps 2 and 3, the group deliberate on afore-set questions based on newer insights.

Furthermore, this thesis is an action research thesis, as research work has been participative through collaboration of learning set members in my organization. In order words, this research work is a product of action learning involving me as the group coordinator and learning set members as research participants. As an example of this level of collaboration, the interview questions for the case study research on selected family businesses emanated from years of continuous and consistent deliberations amongst learning set members in my organization. The piloting of the questions is discussed later.

QUALITATIVE RESEARCH METHODOLOGY

This research work employs the qualitative research methodology based on the fact that it has been discovered to best serve the purpose of exploration into new fields, as well as aiding in the development of hypothesis (Miles &Huberman, 1994). This methodology allows for insightful discoveries and critical thinking on the side of interviewees as stated by Easterby-Smith et al (2008) that the research approach becomes useful when sourcing for differing viewpoints and exploring new frontiers. Also, according to Denzin& Lincoln (2005, p. 3), *Qualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them.*

In view of the fact that this research investigates a context based case for interpretation through the lenses of research participants in their natural settings, the qualitative research best suits this study as inferred by Denzin& Lincoln (2005). However, in investigating a context based case, this study applies the principles of action research which connotes the fact that this research is a research in action. In order words, I investigate the research problem within my organization whilst been a part of the problem through a form of collaborative and participatory enquiry.

Action research as a methodology and the researcher's philosophical approach was historically developed from the work of Kurt Lewin, which was based on recurrent processes of "planning, data gathering, action and result fact finding" of a change situation (Bargal, 2006 & Nielson, 2006). Basically as a methodology, action research employs the scientific approach in a different form (from the norm) by resolving a workplace based issue though the participation of individuals experiencing such issues (Coghlan&Brannick, 2010). The next section provides an insight into the case study approach.

CASE STUDY APPROACH

According to Creswell (2007, p.73), 'Case study research involves the study of an issue explored through one or more cases within a bounded system (i.e. a setting or a context). Going further, the case study approach is described as a situation whereby a researcher 'explores a bounded system (a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information (e.g., observations, interviews, audio-visual material, and documents and reports), and reports a case description and case based themes' (p. 73). As an example, conducting several studies across multiple sites (Multi-site study) or singular study (a within-site study).

According to Stake (1995), the procedures for carrying out a case study research are as follows:

(1) The researcher has to firstly decide if the case study approach is suitable to study the problem at hand. This approach becomes relevant to problem situations when there exists clearly defined problems with boundaries. Here the researcher sets out to bring about deeper insights regarding a case(s)

(2) Next the researcher proceeds to identify the case(s) in terms of person or persons, program or programs. Basically, the researcher is required to consider all case study options before one fit to be tailored to the case(s) is selected and applied.

(3) After cases have been identified, data is then collected by sourcing information from differing sources such as 'observations, interviews, documents and audio-visual materials'.

(4) Data collected is then be analysed to discover common themes that go beyond the case or cases under study.

(5) Finally, the researcher interprets findings through a report, which might be in the form of lesson learnt from the case or a description of irregular occurrences within the case.

Regarding lesson learnt from case, this research work becomes relevant to action learning in the form of action research (Greenwood & Levin, 1998), based on the fact that action researchers in the future can apply findings of this work to similar issues, after which they must have assessed the context relevance. Furthermore, findings and lessons learnt can be employed as forms of evidence based management for actual problem situations (Briner et al, 2009), which is another form of action learning in that findings from an action research are applied to real life management issues.

RESEARCH DESIGN

In designing this action thesis, the action learning sets in my organization (as co-researchers) were actively involved as they concluded that the root cause problem of inadequate financing had to be resolved to bring a lasting solution to workplace issues. This further reinforced my decision to study inadequate financing for my thesis. A motion was moved within the sets to nominate a wider research committee to work with me in resolving these issues towards contributing to actionable knowledge for my research work. In this committee it was decided that for reasons of comparison and better insights, this research should encompass interviews from external organizations similar in operation to ours. However, the research within my organization was to remain the focal point of this project. The reason given for this was that through a comparative analysis from organizations similar to our firm, we would be better informed on how to go about resolving our problem. Following this, the following criteria were set:

1. The organizations are to be family businesses owned by a family member or members, and administered or managed by a non-family member
2. Majority of the board of Directors in participating organizations are to family members (a minimum of 60% composition)
3. The participating organizations are to be indigenous to Nigeria
4. A minimum of 10 years in operation is required for inclusion of organizations in this study

After this, I discussed in detail with them how my action research thesis required total collaboration from members of staff as co-researchers. As an example, the way in which inputs, observations and thinking of learning set members was required towards the credibility and dependability of my thesis. It was also in this committee that I finally concluded to carry out this research from the lenses of the owner and administrator of my firm and other participating firms (as I was still uncertain regarding conducting my research from these lenses).

RESEARCH PARTICIPANT ENROLMENT/ RESEARCH SAMPLE

Research participants (the owner and the administrator) in my organization had been aware of their roles in the research work as co-researchers during the DBA study (the owner here is the chairman of the organization while the administrator is the managing director of the group of companies to which my organization belongs to). As co-researchers, they had over the years understood the importance of my research work to resolving our financing issues; which is a factor that encouraged their "buy-in". So therefore, at the point of producing this action thesis, they had been ready to participate based on readiness levels through years of action learning. Some of the co-researchers and I only had to inform them officially through emails and verbal communication.

The owners and administrators of 20 organizations (40 prospective research participants) were contacted via electronic mails and telephone calls for setting up of interview appointments. 8 of those contacted did not fit in with the inclusion criteria while 12 of the proposed participants responded negatively.

Some of the negative replies had to do with issues of confidentiality, company policies and family traditions, while the inconclusive responses had to do with indefinite postponements and non-replies.

Of the 20 shortlisted participants, I held meetings with 18 of them during which consents were given for the research through the signing of the participant consent forms. Following this, interview schedules were set with follow-up emails and telephone calls with the assurance of strictest confidentiality.

PILOT TESTS.

Following this we decided to conduct pilot test interviews within our organization for the purpose of testing and validating pre-set interview questions and how these questions were to be administered for individual interviews. Towards this, learning set members produced questions after which these questions were deeply reflected on and critically questioned to ascertain the metacognitive reasoning behind each question (Easterby-Smith et al, 2008). This process revealed that certain questions were too ambiguous and misleading, as some of the set members interpreted the questions in different ways. Also, it was discovered that these misleading questions could result in bias and confusion. To avoid invalid and unreliable data (Creswell, 2007) the questions were reset through question setting guidelines as described in Creswell (2007) to check errors such as negative questioning, jargons and colloquialisms. In addition to this, we structured the interview sessions and questions, employed laddering and ensured that researcher bias was not imposed on participants. This was in an endeavour to make certain that this research work produced good data (Easterby-smith et al, 2008) and to ensure that the actual interview would not exceed an hour.

As a re-ascertaining step to ensure that participants met with the research criteria, certain questions that interpreted the inclusion criteria were added to the interview guide. The actual research questions were in two forms; one for the owners and a second one for the administrators of participating organizations. The reason for this was that certain questions anchored on the peculiarities of these roles. Although the questions were mostly identical, about 20% of them were tailored to these unique roles. Initially the researcher had set the same questions for both roles but during the pilot testing and action learning sessions, it was discovered that 2 separate interview questions were required. In separating these questions, the researcher considered the following which was the output of the pilot testing.

Group 1 (Owners):

- Owners were more concerned with overall management, and less bothered about day to day operations.
- Owners have more authority in regards to influencing capital structure decisions
- Owners always have their reasons for how they run their capital structure process
- Owners might be more historically grounded in the capital structure decision making process of their organizations
- Owners would dictate the extent to which information regarding the case study would be divulged

Group 2 (Administrators):

- Administrators might mostly orchestrate daily operations and in some cases might not be involved in funding decisions
- Administrators would have suggestions as to why they might not be or partially involved in capital structure decisions making.
- Administrators might share a different opinion regarding how capital structure decisions are made, which might differ from the owners point of view
- Historically, administrators might not be well versed in capital structure decision making of their firm
- Administrators would mostly be coached/ advised by their owners not to divulge certain information.

We then ran test interview sessions with select set members and these interviews were completed between 45 minutes to one hour. These tests prepared me for the actual interviews, as I was convinced that the questions were capable of providing information towards answering the research question. This propelled me to commence with actual interviews.

Relating this pilot testing to action research, Coghlan&Brannick (2010) propose an action learning cycle which involves the steps of pre-step: context and purpose, constructing, planning action, taking action and evaluating action. In the pre-step phase of this study, the researcher sought to understand and get a feel of the case context by carrying out pilot interviews in one of the participating organizations. The constructing and planning phases encompassed the previously discussed test interview, as the researcher in a 'collaborative and participatory venture' fully involved relevant stakeholders in the interview process. The third and final phases (taking action and evaluating action) embodied carrying out the action of test interview, after which the evaluation phase was carried out ascertain 'if the original construction fitted, if the actions taken matched with the construction, if the action was taken in the appropriate manner and what feeds into the next cycle' (Coghlan&Brannick, 2010). More on how the research methodology embodied the action research cycle is discussed under the heading "action research cycle".

ACTUAL INTERVIEW SESSIONS.

From the proceedings of the interview test session, interview time frames were set to a maximum of 1 hour with a view of wrapping up each session within 45 minutes but this was not so in all cases. The interviews were conducted in semi-formal styles in order to get participants more relaxed and less tensed, for the purpose of getting unbiased information from research participants. Pre-set questions (derived from test interview sessions) were asked from the participants which in-turn led to informal discussions as a means towards getting in-depth insights. Investigative questions that incited critical thinking and reflection were employed in sourcing for relevant information during interview sessions. Furthermore, these questions were formulated based on the gap in the literature after I had reviewed relevant literature. As a means of providing new context relevant knowledge in the field of family business, the researcher ensured that only questions contributing to new knowledge were asked (Abrahamson, 1991). The informal interview style (which created a relaxed environment) brought about insightful information for this research work.

Time was of the essence to me and the interviewees which necessitated time moderation skillsfrom me. Although the interview style was semi-formal, research participants were advised to stay on course with the topic of discussion without necessarily discussing irrelevant issues. For the purpose of maintaining consistency and accuracy, notes were taken during these interviews and clarifications were sought for from participants were necessary. These transcripts were then restructured through the text written documentation process after which they were sent to the participants for confirmation and amendments where necessary.

ORGANIZATIONAL LEARNING SET WORK AND CASE RESEARCH INTERVIEWS

After each case interview, I presented interview precepts and notes to the learning set members in my organization as this was required of me because they had wholly participated in the research design as co-researchers. Although I had considered holding back these precepts from set members (based on how I had felt they wasted time in critically questioning and reflecting on the precepts), I realized that reciprocity of research entailed total collaboration as is the practice of action research which is carried out in the spirit of "co-inquiry".

They critically questioned and reflected on each response which produced further questions for research participants on certain grey areas in their responses. These questions were in-turn presented to the respective participants after which they gave clarifications that were then presented to the learning set members. This process followed a cyclical approach whereby information was fed back and forth through critical questioning, reflection, clarification and a repetition of the process where necessary. This process also involved a presentation of each interview precept to my research supervisor who also reflected, questioned and fed back her thoughts to me in the form of clarifications and observations. My learning set members during these sessions discovered firstly from these interview precepts that our workplace problems weren't just peculiar to our organization but also to other organizations similar to ours. This initially made them comfortable but on the long run (after the 9th interview) they wondered if the interviews precepts were a true reflection of our workplace based problem as some of them stated that they hadn't discovered any "wicked problem" from the interview precepts as this is what they had expected. Based on this, it was agreed upon that we should go through the interview questions one more time to see if the questions truly represented our workplace problem. On assessing the questions it was agreed upon that the questions were thorough enough.

These case interview collaborations with my learning set members and thesis supervisor ushered in the process of coding and identification of themes from the interview precepts. Working with my set members as co-researchers after each case interview and subsequently, I believe I got credible and dependable data towards answering my research question.

DATA ANALYSIS

Immediately after the interview sessions, I proceeded to analyse data from the transcripts of notes taken. According to Creswell (2007), there exists three possible ways of analysing qualitative data which are: '*preparing and organizing data for analysis, reduction of data into themes through the coding process and displaying such data in research works, numbers and table formats'.* In addition to this, Madison (2005), Huberman& Miles (1994) and Walcott (1994) in Creswell (2007) presented further techniques of analysis to include: '*detecting patterns or themes which aren't apparent, producing pictorial and graphical outlines, writing memo, creating metaphors, generating summaries from field notes and displaying results in the form of charts tables and figures'*

In analysing data for this research work, I applied the guidelines of Creswell as such:

(1) Interview transcripts at each stage of the interviews were gathered and arranged in preparation for analysis

(2) Sorted data where then restructured into themes (as described by Yin, 2003 that a good strategy will be to spot out existent issues in each case and then search for common themes that 'transcend the cases') through the coding process. The coding process employed are as follows:

  a) Codes were used as in identifying important aspects of data

  b) Similar codes were then identified and interpreted as patterns

  c) These patterns were assembled into different classifications;

d) After which assembled classifications represented notions and perceptions of research participants.

In addition to this, patterns that were discovered during the coding process were represented in pictorial forms such as rich pictures for the purpose of metacognition, critical thinking and critical reflection. Also, the use of memos was an integral part of my analysis in that interview transcripts where further analysed to represent my opinions, understandings and ideas (Corbin & Holt, 2005). As well, the memos acted as alerts at stages of analyses to notify me of certain oversights and possibilities which followedCharmaz (2006) claim that memos represent bridges between collection of data and research work drafts.

ACTION RESEARCH CYCLE

The action research cycle as presented in Coghlan and Brannick (2010) includes the following steps:

1) Pre-step (context and purpose)
2) Constructing
3) Planning action
4) Taking action
5) Evaluating action

This research work been an action research project was embedded within the action research cycle towards ensuring its authenticity, validity and reliability.

Pre-step (context and purpose)

This phase in this project work represents the inception stage where I sought to understand the context of my organizational workplace based problem (inadequate financing). Here critical questioning of this problem (also including the organization's programmed knowledge) occurred and produced questions like how necessary is it to convert my workplace problem to a research project? How the problem in my organization is influenced by its external environment? What internal organizational forces are resisting and responding to change and how they are going about this? This questioning to incite learning followed the action learning process of L= P + Q + R where L stands for Learning brought about by the questioning (Q) of programmed knowledge (P) coupled with critical reflection (Marquardt, 1999, p. 29)

This aim of these critical questions was to detect both the external and internal forces, their influence, to what extent they could unsettle the organizational system and how the system was going to be structured and prepared to respond to change.

These critical questioning provided answers which assuredme that converting the workplace based problem into an action research project was the best line of action towards resolving the problem. I then engaged in critical reasoning and reflection (which included interactions with DBA module tutors and learning sets members) to come up with a desired organizational outcome (which is a representation of how organizational proceedings should be after the workplace based problem must have been resolved). Through this, the research scope, aims and objectives were set.

What followed this was the planning of how buy-ins for the research work were to be gotten in terms of creating relationships with identified stakeholders

Constructing

In gaining the acceptance for this action learning project within the researcher's organization, stakeholders had to be assured of its viability in resolving the workplace based problem. This was done through evidence based management (Briner et al, 2009) and problem solving using action research. This endeared stakeholders in my organization to buy-into this research work and hence the collaboration required from them as co-researchers. The stakeholders engaged in continuous framing and reconstruction of our workplace based problem towards agreeing on and working out plans for necessary actions in resolving the problem. At this stage, every plan was documented with commensurate reasons behind each plan.

This was done to ensure that later modifications (based on future learning set insights) to the constructing phase of the action learning cycle would have a basis and traceable history. An important aspect of this phase was that I ensured learning set members were not only partakers but that they owned the problem (as co-researchers) been part and parcel of the organization. This was achieved through total collaborative work as I did not assume the role of an "all knowing total expert".

Planning action

In planning action, the action research cycle was repeated in iteration as I in conjunction with module tutors and both learning set members were involved in continuous planning and changing of plans just to get the best solution for the workplace based problem. I worked hand in hand with the organizational learning set members while the academic learning set members and the module tutors critically evaluated research plans; which always led me back to the drawing board to amend plans.

Taking action

This action research project " What are the factors that influence capital structure decisions between family business owners and their administrators in medium sized organizations" had been planned though the length of the DBA course through iterative action research cycles of critical questioning and problem reframing, before the afore-mentioned topic was arrived at. As part of the iterative action research cycle within this action taking stage, I attended a 2 part face to face residency course at the University of Liverpool were various learning set members and module tutors critically analysed and evaluated my project plan through a seminar paper presentation. The outcome of this critical evaluation set the initial tone for this research project.

In the course of the research project (in the form of this action research thesis) my thesis supervisor critically analysed and evaluated my project work and follow up reflection at every stage. Once again at this point, this research work was taken back into iterative action research cycles (within this taking action phase) as I had to re-plan, take action and evaluate actions based on the project supervisor's evaluation till required outcomes were achieved.

Evaluating action

In evaluating actions taken, actions channelled towards resolving my workplace based problems were analysed through lessons learnt and follow up planning was executed as required. Also during the iterative action learning cycles within this action research project, my project supervisor and I (as previously stated) continually evaluated my research work which resulted in further planning and progression.

However, the overall evaluation will be from the lessons learnt at the end of this action research project and will be discussed at length under the discussion and conclusion chapters of this thesis.

VALIDITY AND RELIABILITY

In past and recent times, the trustworthiness of qualitative research works have been continually questioned by quantitative researchers, which has become apparent in the phenomenon of American centrism; whereby quantitative peer reviewers insist on qualitative works been structured in quantitative forms (Abrahamson, 1991). However some research method writers like Lincoln and Guba (1985) have come up with qualitative constructs to resolve these issues, as they endeavour to distant themselves from the positivist paradigm (Shenton, 2004). Lincoln and Guba (1985) presents the steps of credibility, transferability, dependability and confirmability in response to the positivists criteria.

In addition to this, the interest in case study research as a technique for testing theory has been on the rise as apparent in articles by (Eisenhardt and Graebner, 2007; Siggelkow, 2007; Weick, 2007). From a different perspective, Stake (1995) in Creswell (2007) proposes a 20 step checklist for ascertaining validity and reliability in case study research works as means towards 'going from the general to the particular' standards of verification.

CREDIBILITY AND AUTHENTICITY

By sticking to the procedural guidelines as enumerated in Creswell (2007) and applying methodological rigour in carrying out the process of data collection and analysis, I ascertained that the highest level of credibility was attained in this.

In addition to this, after each interview transcript was completed, I personally sent over each transcript to each participant to verify for verification. Minor clarifications were made by some participants and I corrected this with the consent of concerned participants. I had initially planned to email each transcript to individual participants, but some participants had relayed their concern with this mode of communication due to issues confidentiality (issues such as emails falling into the wrong hands); hence my decision to deliver transcripts personally to participants.

Furthermore, Reason (2006) points out some criteria for assessing quality and rigour in action research and they as follows:

(1) This research work is the product of high level collaboration between members of the researcher's organization and external research participants, through the elements of action research.

(2) This research work is guided by reflexive concerns for practical outcomes and is also a product of continuous and constant reflection towards bringing about a positive change in the researchers organization.

(3) Conceptual and theoretical integrity has been ascertained in this action research project due to the "plurality of knowing" and sound methodological processes.

(4) This action research project has been produced through significant work and lastly,

(5) This action research work has brought about positive change in the researchers organization.

I also guaranteed the **Authenticity** of this work in the following ways:

(1) I was attentive to data by not distorting, missing or ignoring data. This was further ensured as I never failed to ask questions; even when they were awkward.

(2) I was reasonable in reaching conclusions and judging situations by exploring every last reflection question rather than settling for comfortable outcomes.

(3) I was responsible in making decisions and taking actions by exploring all evidence and following up actions in a timely and appropriate manner. (Coghlan, 2008)

DEPENDABILITY, CONFIRMABILITY AND TRANSFERABILITY

The reliability of this research work lies in its confirmability as I ensured that the findings of this research were based on the experiences and notions of research participants rather than my objectivity. However, in contrast to the positivist idea of dependability, this qualitative work might or might not produce the exact same results as discussed by Fidel (1993) and Marshall &Rossman (1999) that 'the changing nature of phenomena scrutinised by qualitative researchers renders the quantitative description of dependability problematic'.

In regards to transferability, considering the fact that this research work is a case study of a context based phenomenon, the onus lies with future researcher(s) that would want to apply results of this research to their problem situations, to ascertain context relevance. In carrying out this work I ensured that sufficient information regarding context and in-depth description of the case were provided for the purpose of transferability as discussed by Firestone (1993).

PREUNDERSTANDING, ROLE DUALITY AND ACCESS

Pre-understanding is attributed to characteristics such as "people's knowledge, insights and experience" before one undertakes a research programme (Gummesson, 2000). Both the theoretical understanding of the dynamics in an organization and the acquired everyday experience contribute to the aforementioned knowledge, insight and experience.

In ensuring that the pre-understanding ofmy organization did not negatively affect the action research thesis, I engaged in epistemic reflexivity by constantly analysing my "lived experience" as well as my methodological and theoretical presumptions. As an example, I was careful to probe thoroughly (as an external researcher would) without assuming that I had prior information or experience about my organization. In this way, participant viewpoint and understanding regarding research inquiries become very relevant and significant (Ferguson and Ferguson, 2001).

Pre-understanding was not an issue for me in interviewing external participants as there was no prior knowledge of the internal workings and operations within these organizations.

Role Duality can be typified by the role of an insider action researcher bridging the gap between academia and practice (Williander and Styhre, 2006). There are times when an action researcher might confuse these roles for one another thereby leading to research bias.

In certifying that I was not affected by the duality of roles in my organization, I engaged in a thorough process of inquiry that challenged presuppositions emanating from my long term relationships with research participants. The fact that I considered the probability of been too close to research participants and organizational issues under study added to my insistence on detailed inquiry.

Role duality was not an issue for me within external organizations as I took on the role of "an outsider looking in" without prior experience of these organizations.

Gaining **Access** into my organization for research purpose was not an issue because I was already a member of the organization, hence primary access was secured. Also, I had secondary access to all parts of the organization (including hierarchical areas) that was relevant to this action research project. This was possible due to my hierarchical position within the organization as a senior managing director.

On the other hand, gaining access into eternal participant' organizations proved to be tricky at first but I overcame the issues. These issues were averted as participants were carefully convinced regarding the confidentiality and anonymous nature of this research work. Also they were informed that proceeds of this work were purely for research purposes and not for any other intentions. These assurances made it possible for research participant to divulge relevant information towards this research work.

ETHICAL CONSIDERATIONS

The ethical process of this research work comprised seeking of informed consents and resolving of all privacy and confidentiality concerns. The research work (including the case interviews) only commenced after the ethics board of the University of Liverpool approved my ethical research application. Interviews were conducted within research participant's business premises. Preceding each interview session, research participants were required to sign participant consent forms to signify their consent and acceptance. For the purpose of privacy and confidentiality, each interview sessions were taken note of and serially numbered. As an example, after the first research participant was interviewed, precepts of the interview were recorded under participant 1 file for record purposes. Interview data and excerpts were stored on the University of Liverpool's M drive.

SUMMARY

The overall aim of this research work is to resolve the workplace based problem of my organization as stated in the research question. Although future researchers might find the methodology applied in this work and the outcomes relevant to their organization, my main objective at the inception of this action research project was to find a lasting solution to my organization's problem through the application of a scholar practitioner's rigorous insight. Hence the transferability of this work would come only as a bye-product of its aims and objective.

CHAPTER 4: DATA ANALYSIS

This chapter reviews the data and result of the research work carried out. For this purpose, the aims and research questions of this work are also reviewed accordingly. As such, this chapter focuses primarily on providing data towards answering research questions. Considering the fact that the purpose of this action research is to critically evaluate the real factors that influence capital structure decisions between owners and administrators of family businesses, the research question is as follows:

What are the factors that influence capital structure decisions between family business owners and their administrators in medium sized organizations?

Research participants within my organization and participating organizations are discussed for the purpose of clearly illustrating their contextual background to intending readers. This analysis aims to present groundwork for assessing the research results and bringing about clarity regarding how inferences were made.

DATA COLLECTION

The researcher collected data through interviews (as enumerated on in the methodology chapter) for a duration of three months between the months of October and December, 2014. The data collection process here represents background this analysis.

RESEARCH PARTICIPANT DEMOGRAPHY

Owner research participants (P1, P3, P5, P7, P9, and P11) were all descendants of company founders.5 of the owners were direct descendants (Sons and Daughters P1, P3, P5, P9, and P11), which meant these organizations had been established by their parents. The last owner (P7) was a 3rd generation owner meaning his grandparents had founded the organization. The administrator research participants(P2, P4, P6, P8, P10, and P12) were hired by the owners and/ or family members to oversee, delegate, coordinate, and consult on company operations as directed by these owner participants. 5 of the administrators (P2, P6, P8, P10, P12) were successors of previous administrators while 1 (P4) was the first non-family administrator. Participant descriptions in relation to their organizations are been enumerated below.

ORGANIZATION/ PARTICIPANT DESCRIPTIONS

Participant organizations were all situated within Lagos State, Nigeria and spread across five local governments namely: Victoria-Island, Oshodi, Ikorodu, Ajao-estate and Ilupeju. Also, these Organizations belonged to different industries such as General supplies, manufacturing, agro-processing, Support- services, Oil & Gas, healthcare, hospitality, investment and agriculture (as displayed in table 1)

10 of the participants were Nigerians with 1 Ghanaian and a South African national (all the owners where Nigerians). 10 of the participants were males while 2 female participants were owners and

administrators respectively. The heterogeneity of the study was represented by diverse industries, race and gender**.**

The table below (Table 1.) depicts a clearer picture of research participants and information concerning their various organizations.

ORGANIZATION	INDUSTRY	EMPLOYEE SIZE	ANNUAL TURNOVER	LOCATION
Organization A (Participant 1 & 2)	General supplies	113	50m – 200m	Victoria Island, Lagos State
Organization B (Participant 3 & 4)	Manufacturing	190	200m – 500m	Oshodi, Lagos State
Organization C (Participant 5 & 6)	Agro-processing	230	50m - 200m	Ikorodu, Lagos State
Organization D (Participant 7 & 8)	Support services	107	50m – 200m	Ajao-estate, Lagos State
Organization E (Participant 9 & 10)	Oil & Gas	123	200m – 500m	Victoria Island, Lagos State
Organization F (Participant 11 & 12)	Manufacturing and Oil & Gas.	294	500m – 700m	Ilupeju, Lagos State.

M = Million (Currency in Nigerian Naira). **Table 1. Showing organizations A-F, individual participants and their organizational descriptions.**

CASE DESCRIPTIONS

Organization A (P1)

Participant 1 is the Chairman of a product distribution company in the general supplies industry. He (as the eldest son) inherited the company from his mother who was the founder of the organization before she died. His father had been one of the pioneer directors of the company before his demise. The board is majorly constituted by family members made of his siblings, fathers and mothers family members. His immediate younger sister is the general manager of the organization and other family members hold certain positions within the organization. He is 61 years of age with a bachelor’s degree in Marketing and a master’s degree in marketing management. He has maintained ownership of the company for 12 years after he had worked in several departments within the organization for 20 years prior to his current role.

His role in decision making is that of an overseer of the “trinity” (Chairman, board and MD) that deliberate on critical decisions. He is not involved in day to day decisions and his capital structure decision making priorities are low interest rates, payment period, funds management, accountability and returns on investment.

The factors influencing CS decisions for him are fear of incorrect decisions/ loss of business/ reoccurrence of past funds management, profitability and his willingness to exert control on CS decisions. This fear emanated from a past occurrence whereby some of his family member connived with one of the previous MD’s to defraud the organization. Interview word count is 1345.

Organization A (P2)

Participant 2 is the Managing Director of a product distribution company in the general supplies industry owned by participant 1. He is a non-family member who was hired after his predecessor resigned from the organization. He had worked in a competitor company for 5 years before he was hired to manage the organization. He has a bachelor’s degree in accounting, a chartered accountant (ICAN Fellow) and an MBA degree with 24 years working experience in the field of logistics, marketing and management consultancy. He has been managing this organization for 4 years and he is 54 years old.

Although his chairman stated that he is an active part of the capital structure decision making team, he explained that capital structure decisions are really decided on by the chairman and the board of directors. He is more involved in senior level management decisions as day to day decisions are handled by department and their employees. He’s capital structure decision making priorities are loan affordability, salient loan facility charges and flexible repayment times.

The factors influencing CS decisions for him are the Chairman’s heavy influence on CS decisions, salient policies and lack of trust from the chairman and board of directors. Interview word count is 1474.

Organization B (P3)

Participant 3 is the Owner of a manufacturing company that is also into property and business acquisitions. He was previously managing the company with his founding father who retired about 10 years ago, relinquishing control of the organization to him. His father died about 3 years ago. The board members mainly constitute family members who are on the board to basically protect various family interests (as it is a very large family). The board members make no important decisions but are only informed of decisions by the chairman. According to the chairman, the board members are mainly interested in profit sharing. He is 70 years old with a HND degree in mechanical engineering. He had worked with various manufacturing industries for about 20 years before he joined his father’s organization as a supervisor. He jointly managed the organization with his father for about 10 years at a point whereby his father was unable to actively manage the organization.

He is practically the sole decision maker and he is not involved in day to day decision making. His capital structure decision making priorities include cost of capital, generational succession, fear of company take over and collateral demands.

The factor influencing CS decisions for him is basically lack of trust in relinquishing CS decision making to his MD, as he makes all decisions except day to day decisions. He is also very particular about handing over the organization to the next generation as it was handed over to him. Interview word count is 1175.

Organization B (P4)

Participant 4 is the managing director of a manufacturing company with interests in property and business acquisitions, owned by participant 3. At age 48, she is the first non-family administrator of the organization who was hired based on her technical expertise. She had been the principal consultant for a family owned group of companies with vast investment interests across Nigeria and had also consulted on business acquisitions for her current organization before she was employed 3 years ago. Prior to her previous role, she had both been a consultant and legal adviser for companies in Germany and Nigeria with years of experience to her credit. She has a bachelor's degree in law (LL.B) and an LL.M in Business Law.

In concurrence with the chairman's statement that he makes almost all decisions, she put it that that she only advises the chairman based on her technical abilities. Everyday decisions are handled by employees in charge as she works closely with her employees. Her capital structure decision making priorities are irrelevant as the owner of the organization makes all CS decisions.

The factors influencing CS decisions for her is the authoritative decision making style of the company owner, his level of control and decision making resultant effect on staff morale. Interview word count is 987.

Organization C (P5)

Participant 5 is the president of an agro-processing company within the agro-processing industry in Nigeria. As the only child of her father (who diversified into the hospitality business and handed over the organization to her after she insisted on not closing down the organization), she took over the running of the organization from her father who is still very much alive. The board is mainly constituted by family members including her mother. She gave up her career as a theatre arts director to run the organization after she took various courses in agriculture and business management. She is currently studying for an MBA and is 42 years old. She has been in this ownership position for 6 years.

Her decision making role is that of a leader and a mentor as she coins the current management style as an "open forum"; one whereby all members of staff partake in decision making. She is not involved in everyday decision making and her capital structure decision priorities are decided on by the organization's partner bank policies.

The factors influencing CS decision for her are the intricate agreement issues with partner bank. Interview word count is 1,283.

Organization C (P6)

Participant 6 is the managing director of an agro-processing company in Nigeria owned by Participant 5. He was the operations manager before he was selected by the owner of the organization to co-ordinate affairs in the organization. He started working in the company about 24 years ago after he completed his ordinary national diploma in business studies. He had worked within certain departments of the organization and had been selected by the owner to become the MD based on his management ideologies. He has a HND degree in business studies and is a chartered accountant and HR practitioner. He is 47 years old and has been the MD of the organization for 6 years.

He is of the opinion that CS decisions are taken through their partner bank and that they only consult with financier. He deliberates on management issues with the Chairman and the board of directors and leads organizational teams in decision making. His CS decision priorities are the partner bank priorities because they handle these decisions.

The factor influencing CS for him is that they have only one financier and this is also bringing about conflict within organizational teams as they want a change. Interview word count is 937.

Organization D (P7)

Participant 7 is the owner of a support services organization that provides services to organizations in the oil and gas, manufacturing, telecommunication and IT industries. He is 69 years of age and he inherited the company from his uncle who also inherited the organization from his father (the owner's grandfather). Having worked with his uncle for 19 years, the company was handed down to him after the demise of his uncle. The board of directors are mainly family relations, most of who had been on the board with his uncle. He holds a PhD degree with a specialization in public service and communications management and has owned the company for about 11 years.

He deliberates on most decisions with his General Manager and refers certain decisions to the board of directors. He is not involved in everyday decisions and his CS decision priorities are bank interest rates and charges, bank policies and loan repayment period.

The factors influencing CS decisions for him are considerations for transparency and agreement issues with his General Manager. Interview word count is 1172.

Organization D (P8)

Participant8 is the general manager of the support service services organization owned by participant 7. He started working for the organization as marketing manager 12 years ago and until he became the general manager 4 years ago. Before he started working with this organization, he had been an educational instructor at a communications institute and a consultant in public service. He holds a bachelor's degree in marketing and a master's degree in mass communication. He is currently studying for an MSc in information management and he is 55 years old.

He is of the opinion that CS decisions are planned by the management team and presented to the chairman and the family for authorization. His CS decision priorities issues related with generational succession and policies.

The factors influencing CS for him are his background in publicly held organizations, the ideals of the owner, and business family vision. Interview word count is 1331.

Organization E (P9)

Participant 9 is the owner of a down-stream oil and gas distribution company. He had set up and run this organization with his father who was the previous chairman of the organization before his demise. The company board is made up of his father's family members (who all invested heavily in his father business) and some technical experts. He is an Islamic scholar who holds a bachelor's degree in Islamic studies. He is 55 years of age and had jointly managed the organization with his father for 25 years.

He is a strong supporter of Islamic non-interest banking and would only seek financing from this source based on his set beliefs. His management style is autocratic as he stated that the MD of his company only partakes in decisions he is invited to partake in. He does not partake in everyday decisions and his CS decision making priorities are Islamic banking, generational succession and family agreements

The factors influencing CS for him are family responsibilities, control, family ownership and funds. Interview word count is 999.

Organization E (P10)

Participant 10 is the managing director of a down-stream oil and gas distribution company owned by participant 9. He previously owned and managed an oil and gas distribution company before he took over the management task of his current workplace. Like the owner of the organization, he is also 55 years of age and holds a bachelor and master's degree in chemical engineering. He has managed the organization for 6 years

He mentioned that he would have preferred to make certain decisions differently if it had been his organization and clearly stated that decisions regarding CS are strictly decided on by the family. His capital structure decision priorities are non-interest Islamic banking and set family beliefs.

The factors that influence CS decisions for him are influence of the chairman and his family on the business and diverse opinions. Interview word count is 732.

Organization F (P11)

Participant 11 is the chairman of my organization in Lagos Nigeria. This organization is more focused on the manufacturing and oil and gas businesses. He inherited the company from his mother as the only child and he had previously been the groupMD of the group before his mother passed on. He holds a degree in medicine and public health and had worked in government hospitals before he started working with his mother. The board is made up of his children, family members and non-family members. Some of his other children work in companies within the group. He is 76 year old and has been the chairman of the group for 18 years.

His organization is currently undergoing change in the way decisions are made from the authoritarian style to team led management. His organization just currently for the first time accessed external funding and their status on decision making will only be clear after the loan process is over.

He is not involved in day to day decisions and his CS decision making priorities are making decisions that are in the best interest of the family, business legacy, bank interest rates and collateral demands.

The factors that influence CS decision for him are control on decision making and insistence on family funding. Interview word count is 1060.

Organization F (P12)

Participant 12 is the Group managing director of my Organization. He had worked in a paint manufacturing company all his life till he attained the position of a director. He took over the management of his current company 11 years ago after his predecessor retired. He has a BSc degree in business administration and an MBA. He is 57 years of age.

In confirmation of the owners statement, he stated that his organization is currently undergoing a change process and he can't get a clear picture of their current decision making process. His organization just currently for the first time accessed external funding and their status on decision making will only be clear after the loan process is over. He is not involved in everyday decision making but orchestrates overall operation within the group. His CS decision making priorities are family opinions, insistence on family funding, high interest rates and collateral demands.

The factors that affect decision making for him are operational funds cutting, project priorities, disagreements and safe guarding family interests. Interview word count is 1198.

PROCESS OF ANALYSIS

For the purpose of increasing understanding and setting a basis for results from interview interpretations, a review of how data from the interviews was analysed is presented. This includes data management, interview analysis, identification of codes and category identification. Considering the fact that data emerges during interviews (Creswell, 2007) the researcher developed categories toward the construction of themes in answering research questions.

Data Management

As part of the University of Liverpool's research ethics policy, certain steps were employed to ensure confidentiality and preservation of data. Interviews were conducted within secure environments after which excerpts from interview sessions were retrieved personally by the researcher and copies of excerpts were made against the risk of data loss. The notes, memos and excerpts from the interviews were stored on the University of Liverpool's M drive which is password protected and is only accessible by me. The interview records will be deleted 6 years after the research work is submitted.

Interview Analysis

The data analysis process commenced immediately after the first interview. Upon the completion of further interviews, notes, excerpts and interview reflections were continuously compared and reflected upon by myself and the research supervisor for critical evaluation, feedback and afterthoughts. I paid attention to each research participant during interviews and consequently took notes. Considering the fact that participants declined to be recorded, notes were taken during the interview and participants were asked to repeat statements I missed (as was part of interview consent before the commencement of all interviews).Excerpts were re-read over and over again for the transcription of interviews and sent across to research participants for verification towards the authentication and credibility of data (Greenwood & Levin, 2007). After this, the preliminary stages of coding commenced. Hence, I consulted interview excerpts at least five times, which complies with Charmaz(2000)idea of 'immersing one's self in data'.

Immediately after each interview, fresh recollections and reviews were written down for the avoidance of data omission. Based on this process, I strongly believe and I am confident that this research interview excerpts truly represents participant views.

Based on the fact that the interviews have been carried out procedurally through the case study approach, the resultant information is credible (Creswell, 2007). As recommended in Creswell (2007), this research work has applied the case study approach.

For a case study research, there a seven analysis stages which are as follows:

i) Create and organize files for data
ii) Read through text, make margin notes, form initial codes
iii) Describe the case and its context
iv) Use categorical aggregation to establish themes or patterns
v) Use direct interpretation
vi) Develop naturalistic generalizations
vii) Present in-depth picture of the case (or cases) using narrative, tables, and figures. (Creswell, 2007)

These steps have been followed in carrying out this research work's analysis.

Identification of codes

The interviews conducted (participants 1 to 12) brought about the identification of 62 codes. Initially, 84 codes were identified, but after the researcher reflected deeply, read and re-read the interview excerpts, the codes were reduced to 62 through categorization and identification of similarities.

According to Suddaby (2006), saturation describes a point whereby no new codes are discovered. Theoretically, saturation occurred before the 9th interview. The codes that were gotten from the 9th to the 12th interview reflected formerly discovered codes and categories. From the 8th interview, data collection was carried on for the purpose of ascertaining the afore-discovered codes and categories and also to further seek out contrary outcomes.

CATEGORY IDENTIFICATION/ RESEARCH RESULTS

Through the process of axial coding, discovered concepts were reflected on and restructured after which additional improvements and category identification was embarked on. Further to this the researcher engaged in continual search for likely categories. This involved a procedural pattern of disassembling concepts into bits and then re-constructing into fresh and better improved categories. By applying the precepts of the open coding process, individual codes were categorized with similar codes and classed into the following 9 categories(See appendix B for the full listing of the 62 codes and their respective categories).Hence these categories represent the factors that influence capital structure decisions between owners and their administrators in medium sized organizations. As such, the results for the research question of this action research project is hereby presented through the discussions of the following research categories:

RESEARCH CATEGORIES

1. Fear
2. Control
3. Trust
4. Generational succession
5. Expertise and experience
6. Mind-set
7. Agreement issues
8. Capital structure decision priorities
9. Conflicts

RESEARCH CODES AND CATEGORIES

CATEGORIES	CODES
FEAR	This category was linked with a fear of the following codes by research participants: Low interest rates1. Loan repayment period2. Return on investment3.Collateral requirements4. Fear (of incorrect decisions, losing customers) 25. Fear of external funding 47.
TRUST	There was a lack of trust based on the following codes: Owner/family undisclosed priorities 5. Control decisions by owner 18. Lack of trust/misappropriation of funds27. Secrecy29. Authoritarian decisions/heavy influence on business, family vision/owner ideals31. Fraud misappropriation of funds 50. Information secrecy (from certain banks) 61.
GENERATIONAL SUCCESSION	There was a desire for generational succession as depicted through the following codes: Owner/ family undisclosed priorities 5. Owner/family set beliefs and legacies 6. Usage of family funds, savings and business returns 16. Secrecy 29. Family ownership of funds 37.Generational succession 36.
CONTROL	Business controls were maintained through the following codes: Laid down procedures 14. Family funding 38. Delegated duties/ officers in charge take charge/ management often take charge 15. Escalated to higher authority/ chairman director family sole decision/ authoritarian decisions/ banks take charge 17. MD's are only consulted22. In line with company policy24.Control, strict policies26. Authoritarian decision, heavy influence on business, family vision/ owner ideals 31. Family ownership of funds37.
MINDSET	There were mind-set clashes as typified by the following codes: Return on investment 3. Funds management12. Team management19. MD's are only consulted22. Open forum decisions (team led) 23. Diverse views/strong views/seeking consents/diverse backgrounds/preferences34. International funding40. Issues concerning project time and expense 49**.**
AGREEMENT ISSUES	There were agreement issues based on these codes: Sole funding partners/ research on funding 44. Islamic banking 46. Terms of agreement39. Secrecy 29. Funding partner policies 7. Bank /Investment company policies 10. Non-interest banking/ Islamic loans 11. Agreement issues, considerations for transparency 35.
CONFLICTS	Conflicts occurred as connoted by these codes: Funds management 12. Change initiatives/management transitions 20. Choice of funding source30. Staff morale 33. Time wasting (family funding deliberations) 42. Voting on issues, selection differences/preferences48. External lobbying51.Resistance, veto power, imposing ideas and conflict of interest 53. Strike actions, disruptions in operations 56. Organization team agency priorities8. Critical decisions handled by the board of directors/ chairman/ management deliberations, voting 21. Preference between internal and external funding 43. Can't recall, unaware 52. No conflicts 54**.** Negotiations, brainstorming, consultations, secrecy 55.
EXPERTISE AND EXPERIENCE	Expertise and experience were not optimally used based on the following codes: Lack of information leading to business risk 57. Incompetency 59. Information profitability 60. No knowledge/ imaginative ideas 13. Expertise and experience 32. Consultations from consultants, business analysts etc. 58**.**

	Considerations (but no actualizations) for other funding sources 45. Available technical know how 62.
CAPITAL STRUCTURE DECISION PRIORITIES	This category influenced decisions based on these codes: Low interest rates 1. Loan repayment period 2. Returns on investment 3. Salient funding charges 9. International funding 40.Profitability 28. Banks investment firms etc. 41. Considerations (but no actualizations) for other funding sources 45.

Table 2. Showing research categories and their constituent codes numbered and labelled in accordance with the research codes in appendix B (pp. 115).

CATEGORY DESCRIPTIONS/ RESEARCH RESULTS FOR ORGANIZATIONS A-E (participating organizations)

Fear: Owner participants P1, P3, P7, and P9 were afraid of making incorrect capital structure decisions and hence maintained almost total or total controls over decisions. Owner participants P1 and P3harboured these fears based on events that had occurred in the past and influenced their judgements. Some of their statements are as follows:

Owner of organization A (P1) '*In the past, my mother who is the founder of this firm entrusted funding decisions to one of the MD's who had mismanaged funds. There was a particular one that eloped with half the sum of funding we had secured from a bank at a point in time. So based on this, I decided to oversee funding operations'.*

Owner of organization B (P3)*'I have witnessed certain situation that banks had taken over companies based on their inability to finance debts. In view of this, I ensure that this is avoided at all cost as this company was passed unto me and I must pass it on'*

Control: Based on the aforementioned fear category, high levels of control were put in place by owner participants P1, P3, P7 and P9 which resulted in strict policies been put in place to ensure that capital structure decisions were handled by themselves and their families as stated in the following excerpts:

Owner of Organization E (P9) **'***As I stated the decisions are decided on by the family because we own the money. The MD then guides processes after this decisions'.*

Administrator of Organization B (P4) 'Capital structure decisions are mostly decided on by the chairman and the directors, so yes I would say these project financing decisions are heavily influenced by the chairman'

Administrator participants P2, P4, P8 and P10 also reacted adversely to this (although some of them appeared to have been accustomed to the situation i.e. P10).

Owner of organization B (P3) '*The MD does not make decisions, I do'.*

Administrator of organization B (P4) '*Decisions are generally made by my boss the chairman'.*

Administrator of Organization E (P10) **'***As stated, that this decisions are handled by the family, there is no room for affecting factors concerning finance'.*

Trust: Lack of trust from owner participants P1, P3, P7 and P9 to administrators P2, P4, P8 and P10 was evident. For organizations A and B, it was due to past management occurrences like misappropriation of funds, transparency etc.

Accordingto the Owner of OrganizationA (P1) **'***In the past, my mother who is the founder of this firm entrusted funding decisions to one of the MD's who had mismanaged funds. There was a particular one that eloped with half the sum of funding we had secured from a bank at a point in time. So based on this, I decided to oversee funding operations'.*

Owner of Organization B (P3) **'***Historically, this company never hired non-family members to manage its affairs. The current MD is the first non-family MD and as such we are not yet comfortable with the idea of an external hand making decisions'.*

Generational succession: Owner participants P1, P3, P7 and P9 were particular about transferring their organizations to future generations and were wary of bank collateral demands, which they at times pictured as relinquishing company shares through partnership for financing.

As an example, the Owner of Organization B(P3) stated that "*I have witnessed certain situations that banks had taken over companies based on their inability to finance debts. In view of this, I ensure that this is avoided at all cost as this company was passed unto me and I must pass it on"*.

Also in relevance to aforementioned fact, the Administrator of organization D (P8)put it that **'***family businesses (and our company in particular) are always been mindful of two things. Firstly, they never want to be over charged for loans by banks and secondly, majority or all company shares remain in the family'.*

Expertise and experience: Administrator participants P2, P4, P8 and P10 were generally not happy with the heavy control influence owner participants P1, P3, P7 and P9 placed on capital structure decision making. They believed they had the required expertise and experience to actively partake in decisions making.

As an example when the administrator of organization E (P10) was asked if he would like to make capital structure decisions on his own he stated that "*if it was my organization yes I would but no in this situation"*

In addition to this, the administrator of Organization A (P2) stated that '*As an example there are certain projects that I feel could be handled by myself and the management team without the involvement of the chairman and the board, based on my expertise. Those types of projects should preferably be handled by me'.*

Owner participants P1, P3, P7 and P9 were less concerned about administrator expertise and experience when it came to decision making, as they placed strict controls and boundaries around capital structure decisions.

Mind-sets: A number of administrator participants P2, P4, P6, P8 and P10 stated that diverse and strong views of firm owners and different family interests affected capital structure decisions.

I.e. the Administrator of organization D(P8) stated that '*the chairman would rather opt for 1st generation banks in preference to new generation ones because he believes the old ones better understand the workings of family businesses which is an opinion I do not agree with'.*

Conversely, non-family staff mind-sets from publicly owned companies (where administrators had previously worked) clashed with the way business was run in these family businesses as the Administrator of organization D (P8) stated that **'***I would say my background in publicly owned organizations normally clashes with the chairman's ideals of how things are to be run in family businesses, especially concerning funding'.*

On the other hand, participants P1, P2, P3, P4, P7 and P8 stated that funding choice mind-set between internal (family funds) and external funds contributed to issues affecting capital structure decisions. The owner participants P1, P3, P7 and P9 were particularly sceptical about accessing external funds based on fears of high interest rates, salient bank charges, and high collateral demands. In accordance with this, the Owner of Organization A (P1) state **'***Funding below 200 million naira is taken care of by the family, while anything above this figure is sourced for externally. Currently we are working with the Bank of Industry due to their low interest rates for equipment purchase. We are also working with GT Homes for our factory structures and fittings. So source of financing depends of interest rates and terms of agreement'.*

Agreement issues: Organization C had funding agreements with a sole banking partner and administrator participant (P6) along with non-family members of staff were not happy with this because they preferred sourcing for better qualified financiers. However, there were signed agreements with these funding partner which the owner participant (P5) stated might be difficult to rescind from as he statedthat**'***We have a longstanding relationship with our bank which is more like a partnership, so even if I explore the option there will be some intricate agreement issues that will work against it. But that is not to say it will be impossible, it might not just be worth the stress'.* In the same vein, theAdministrator of this organization(P6) stated that ***'****I have discussed the possibility of considering other financiers as we realized that we could get certain better options from other financiers. However the chairman is confused based on the long standing partnerships but I think she is exploring certain possibilities'.*

On the other hand, this funding agreement representedowner policies (Islamic banking) that werebased on religion. Owner of Organization E **'***We only seek financing from cooperation's that operate Islamic facilities which is our policy and ensure that full ownership of the business remains with the family'.*

Capital structure decision priorities: Here is a category that both owner and administrator participants P1, P2, P3, P5, P6, P7,P8, P9 and P10 somewhat agreed on. Regarding how these priorities affected capital structure decision making, considerations like high bank interest rates, high collateral demands, salient funding charges and loan repayment period influenced funding source selections which in-turn influenced capital structure decision making as shown in the following excerpts:

Administrator of Organization A (P2) ***'When funding is considered I would say we firstly look at the affordability of facilities and salient charges that come with them. Also, repayment times have to be very flexible because as a manufacturing firm, we operate by offering credit lines to our customers which also has to be factored in to these loans'.*** Owner of Organization A (P1) ***'Low interest rates, repayment period, how well the funds will be managed, accountability and ROI'.***

Owner of Organization D (P8)***'The decision of whether or not to make use of family funds or not come first. Considerations of collateral also come to mind because loans of nowadays come with demands for collaterals that are worth more than credit sought for. So the management team consider this a lot'***

Conflicts: Conflicts and disagreements from within participating organizations A to E influenced capital structure decision making. Factors such as resistance to change (due to owner veto power, imposing of ideas and conflict of interests) led to resistance and disruption in company operations thereby adversely affecting capital structure decision making. According to theOwner of Organization A (P1), ***'Yes, there are always conflicts here and there. As an example, there are times where we might have 3 financiers that are ready to provide similar interest rates and agreement terms. Here, selection becomes a problem as each party would have preferences'.***

Theadministrator of organization B (P4) also put it that, *'There was a time certain family members tried to impose some bankers on us based on their personal interests but the chairman resisted this which brought about some family squabble. That I think should be the only occurrence from my time here.*

CATEGORY DESCRIPTIONS FOR ORGANIZATION F (my organization)

Fear: The chairman of my organization (P11) stated that fear had influenced capital structure decisions in the past based on demands from lenders. I say the "past" because according to him, the organization had just accessed external funding through a bank which from my experience in the organization had been like a "taboo". The chairman (P11) stated that:

'Previously we only considered internal funding from the family purse due to the expensive nature of loans and ridiculous collateral demands, but based on recent change initiatives and group wide clamour from members of staff; we are currently funding our current project through an external source'

The Group MD (P12) appeared to be mindful of this fear in terms of considering family fears from external finance as he stated that '*the decision to source externally is as a result of on-going change, as capital costs were always been cut down by the family. So the members of staff insisted that for the organization to grow, we needed to funds projects fully. Of course we the top management were mindful of the family fears of high interest rates and collateral requirements, so all this were put into consideration in accessing a loan facility',*

Control: The chairman (P11) put it that capital structure decisions were previously been controlled by himself and the board of directors based on the best interest of the family as stated by him that '*There is the group financial decision and individual company financial decision. For the group we firstly consider* *what will be in the best interest of the family, the business and the legacy. We then transfer this down to each organization as a guide for their projects*'.

Also when asked who he consulted before making capital structure decisions he stated *that 'Initially it was a board decision, but at the moment it is partly a board decision and partly employee/ board decision. It varies from company to company, as I said we are in a transition'.*

Likewise, the Group MD (P12) noted that control on decision making had been restricted to the chairman and the directors *'If it was about 2 to 3 years ago I would say decisions are made by the top management and especially the board of directors',*

but that he currently couldn't depict a clear picture of the decision making process in the organization based on current change initiatives '*currently we are witnessing a lot of change with some parties responding to the change and others working against the change. So therefore you can't really get a holistic decision making picture but what you can do is to approach each MD to get their views'.*

Trust: Firstly I deduced from the interview that trust from the owner of a family firm is a bye product of harboured fear which results in capital structure control mechanisms as previously discussed. On interviewing the chairman (P11), he stated that '*we firstly consider what will be in the best interest of the family, the business and the legacy. We then transfer this down to each organization as a guide for their projects'.*

This statement shows that it would have been difficult for trust to exist between the chairman (P11) and the Group MD (P12) under the previous circumstance because beyond trust; the family interest is fundamental and supreme.

The group MD (P12) also showed from his responses that there was no trust from the chairman to him in regards to capital structure decisions, as he put it that *'Initially it was the job of the family represented by the chairman and his directors but on this occasion, they decided to leave proceedings to myself and employees'.* Furthermore he put it that '*at this stage, we are still praying that we continue with external financing and that it won't just be a onetime thing'*

Generational succession: On the surface there wasn't an obvious reference to generational succession from the chairman (P11). However, a statement that seemed to be linkable to thoughts of transferring the business to future generations was put across by him as such '*We firstly consider what will be in the best interest of the family, the business and the legacy. We then transfer this down to each organization as a guide for their projects'.*

Legacy in its dictionary form means inheritance which connotes the fact that the chairman and the board of directors want the business to remain in the family through generations to come; which could be seen as a reason why family interests are held supreme.

Expertise and experience: According to the chairman (P11), technical expertise and experience of members of staff are not required for making capital structure decisions but are only necessary when capital structure decisions are dependent on certain technicalities which the chairman and the directors are unable to provide. This was deduced when he was asked about how limited information influenced capital structure decisions. He answered that '*yes there are times like this but we have different technical know-hows at our disposal both within and external to the organization*'.

Here his response showed that expertise and experience did not influence capital structure decisions in the past decisions but considering present change circumstances were employees now partake in decision making he stated that '*However, a recent change initiative by one of our MD's has started impacting on the whole group in terms of decisions been made by teams in the organization*'. It can thus be concluded that the expertise and experience of members of staff has now become relevant in decision making.

The group MD (P12) stated that capital structure decisions were previously made by the chairman and his directors but a recent change initiative made it possible for he and his employee's involvement as such *'Initially it was the job of the family represented by the chairman and his directors but on this occasion, they decided to leave proceedings to myself and employees'.*

When this statement is considered, it can be said that the expertise and experience of the Group MD and his employees are influencing capital structure decisions.

Mind-sets: The mind-set of the Chairman (P11) here was to firstly satisfy family interests before the organization's interests. This clashed with the Group MD's (P12) mind-set as he put it that "*at times we disagree over project priorities because the family might decide to go with a particular project which I would not agree with"* Also although the owner of my organization had decided to fund our operations externally (which is an action that seemed to be in line with the Group MD's mind-set), the group MD still had reservations concerning the perceived mind-set change by the chairman based on his statement that "*at this stage, we are still praying that we continue with external financing and that it won't just be a onetime thing".*

Agreement issues: from the interviews there were no agreement issues from research participants except from the diverse mind-sets that was discussed under the previous category.

Capital structure decision priorities: From the Chairman's (P11) perspective, the family interests serves as the first priority when it concerns capital structure decisions as he explained that *"for the group we firstly consider what will be in the best interest of the family, the business and the legacy".* He further clarified that they previously didn't use external funding for certain reasons based on his statement that "*Previously we only considered internal funding from the family purse due to the expensive nature of loans and ridiculous collateral demands".* This clearly shows from the chairman's standpoint that even if they had considered accessing external funding in the past, factors such as collateral demands and interests rates influenced their capital structure decisions.

The Group MD (P12) also noted that previously, the first priority in making capital structure decisions was to satisfy the interest of the family until the organization recently decided to source for funds externally. Although he was also mindful of decision making factors in a like manner with the Chairman based on his response that "*Of course we the top management were mindful of the family fears of high interest rates and collateral requirements".*

Conflicts: The Chairman (P11) in his views regarding the effects of conflict on capital structure decisions pictured the change initiatives leading to external financing as conflicts rather than a "positive change*"*. When asked if there were conflicts affecting capital structure decision making he replied that "*yes a lot of that which has led to disruption in operations and even strike actions".* These disruptions and strike actions as referred to were staff reactions in resistance of family financing which were always insufficient, hence negatively affecting their welfare.

On the other hand, the group MD (P12) interpreted conflicts as the cost cutting/ insufficient family funding and the diverse mind-sets on project priorities. In responding to questions on how conflict influenced capital structure decisions he stated that "*Yes regarding cost cuts and project priorities*". In furtherance he supported this fact by stating that "at times we disagree over project priorities because the family might decide to go with a particular project which I would not agree with". These two perspectives show that although conflicts affect capital structure decisions (from the research participant perspective) there is a clash in regards to what actually qualifies for conflict.

Table 3. showing category descriptions/ research results for participating organizations A to F

<table>
<tr><th>RESEARCH PARTICIPANTS</th><th>FEAR</th><th>CONTROL</th><th>TRUST</th><th>GENERATION-AL SUCCESSION</th><th>EXPERENCE & EXPERTISE</th><th>MINDSET</th><th>AGREEM-ENT ISSUES</th><th>CAPITAL STRUC. DEC PRIORITIES</th><th>CONFL -ICT</th><th></th></tr>
<tr><td>PARTICIPANT 1. O</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>N</td><td>Y</td><td rowspan="2">N</td><td>Y</td><td>Y</td><td rowspan="2">ORGANIZ -ATION. A</td></tr>
<tr><td>PARTICIPANT 2. A</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>PARTICIPANT 3. O</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>N</td><td>Y</td><td rowspan="2">N</td><td>Y</td><td>Y</td><td rowspan="2">ORGANIZ -ATION. B</td></tr>
<tr><td>PARTICIPANT 4. A</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>Y</td><td>N</td><td>Y</td></tr>
<tr><td>PARTICIPANT 5. O</td><td>N</td><td>N</td><td>N</td><td>N</td><td>Y</td><td>N</td><td rowspan="2">Y</td><td>Y</td><td>N</td><td rowspan="2">ORGANIZ -ATION. C</td></tr>
<tr><td>PARTICIPANT 6. A</td><td>I</td><td>I</td><td>I</td><td>I</td><td>I</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>PARTICIPANT 7. O</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>N</td><td>Y</td><td rowspan="2">N</td><td>Y</td><td>Y</td><td rowspan="2">ORGANIZ -ATION. D</td></tr>
<tr><td>PARTICIPANT 8. A</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>PARTICIPANT 9. O</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>N</td><td>Y</td><td rowspan="2">Y</td><td>Y</td><td>Y</td><td rowspan="2">ORGANIZ -ATION. E</td></tr>
<tr><td>PARTICIPANT 10 . A</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>PARTICIPANT 11. O</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>N</td><td>Y</td><td rowspan="2">N</td><td>Y</td><td>Y</td><td rowspan="2">ORGANIZ -ATION. F My Organizat -ion</td></tr>
<tr><td>PARTICIPANT 12. A</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>Y</td><td>Y</td><td>Y</td></tr>
</table>

*O represents Owner participants, while A represents Administrator participants.

*Y represents yes for each category

*N represents no for each category

*E represents excluded

*I represents included

*Organizations A to F as depicted in the last column represents the organizations each participant belong to. However, each column and its representations are discussed below for the purpose of clarity.

For the factors of fear, control, trust and generational succession, Y as indicated for each participant connotes the fact that respective participants allow for these factors to influence their capital structure decisions. As an example, participant 1 (P1) is represented by Y for the factors of fear, control, trust and generational succession which means that, he as the owner of the organization influences capital structure decisions through the aforementioned factors.

For the factors of fear, control, trust and generational succession, E as indicated for each participant connotes the fact that respective participants are excluded by their firm owners from making or actively contributing to capital structure decisions. As an example, participant 2 (P2) is represented by E for the factors of fear, control, trust and generational succession, which means that he cannot make or actively contribute to capital structure decisions.

For the factors of fear, control, trust and generational succession, N as indicated for participant 5 (P5) connotes the fact that he allowed for his administrator to be actively involved in making capital structure decisions for his organization.

For the factors of fear, control, trust and generational succession, I as indicated for participant 6 (P6) connotes the fact that he was actively involved in making capital structure decisions for his organization.

For the factor Expertise and Experience, N as indicated for each participant connotes the fact that respective owner participants didn't allow for the Expertise and Experience of their administrators to be actively used in making capital structure decisions. As an example, participant 1 (P1) is represented by N for Expertise and Experience which means that, he has not allowed for the Expertise and Experience of his administrator participant 2 (P2) to be actively used in making capital structure decisions.

For the factor Expertise and Experience, E as indicated for each participant connotes the fact that respective administrator participants were not allowed by their firm owners to use their Expertise and Experience in making capital structure decisions. As an example, participant 2 (P2) is represented by E for Expertise and Experience which means that, he was not allowed by his owner participant 1 (P1) to use his Expertise and Experience in making capital structure decisions.

For the factor Expertise and Experience, Y as indicated for participant 5 (P5) connotes the fact that he allowed his administrator participant (6) to use his Expertise and Experience in making capital structure decisions for his organization.

For the factor Expertise and Experience, I as indicated for participant 6 (P6) connotes the fact that he was allowed by his firm owner P5 (P5) to use his Expertise and Experience in making capital structure decisions for his organization.

For the factors of mind-set, capital structure decision priorities and conflicts, Y as indicated for each participant connotes the fact that respective participants believe these factors influence capital structure decision. As an example, participant 1 (P1) is represented by Y for the for the aforementioned factors which means he is of the opinion that mind-set, capital structure decision priorities and conflicts influence capital structure decisions.

For the factors of mind-set, capital structure decision priorities and conflicts, N as indicated for each participant connotes the fact that respective participants do not believe these factors influence capital structure decision. As an example, participant 5 (P5) is represented by N for the factor mind-set which means he is of the opinion that mind-set does not influence capital structure decisions.

For the factor agreement issues, N as indicated for each organization connotes the fact that respective organizations do not have funding agreements with singular institutions or base their funding on particular beliefs i.e. Islamic funding; while Y as indicated for organizations C and E depict standing agreements and funding choices based on religious beliefs.

COMPARATIVE ANALYSIS OF ORGANIZATIONS A-E AND F (participating organizations and my organization)

Fear: Although the sub category fear was apparent as a factor that influenced capital structure decisions for both participant organizations A-E and my organization F, the fear factor in my organization was in a transition phase; as fear was subdued by the chairmanof my organization (P11) in accessing bank loans to financing our operations. However, as I earlier stated that the decision to access external financing was somewhat forced (through staff disruptions and riots), it would seem like fear has been put on temporary hold as depicted by this statement from the Chairman:

From the participating organizations, participating owners P1 and P3 operated from a position of fear based on past occurrences they had experienced, while other owner participants P7 and P9 were just not comfortable with the idea of entrusting their administrators (P2, P4, P8 and P10) with financial decisions and control. However, the chairman of my organization (P11) harboured this fear based on high interest rates and exorbitant collateral demands from banks. This fear was further enhanced based on family interests to maintain family legacies in terms of generational succession. He was of the notion that bank loans could lead to sharing business ownership hence a risk to succession.

Although from the literatures I analysed, fear is not directly stated as an influencing factor for capital structures, Salawu and Agboola, 2008 best describes how my organization handled their fear through the pecking order selection of self-financing based on high risk aversion and an affinity to retain total control of their businesses (as discovered by researchers of the article). However concerning the fear of losing control to shared ownership, one of the articles I analysed King and Santor (2008) posit that control could still be maintained by family firm owners while employing the pecking order choice of equity financing; which is a no go area for the chairman and director of my organization.

Control: In a likewise manner with the previous category, the control level from the chairman of my organization (P11) is also in a transition phase based on how self-financing has been put aside for external financing. Self-financing had been the way the Chairman controlled capital structure decisions until we recently accessed a bank loan. However the control from participating organizations A-E mostly emanated from the fear of past occurrences (i.e. past funds mismanagement, misappropriation), while fear from the owner of my organization stemmed from high bank interest rates and outrageous collateral demands.

While the control in my organization is experiencing a shift from the Chairman to the employees in my organization, control levels in participating organizations (A-E) were restricted to business owners in some cases (Organizations A, B, D and E) and shared in other instances (Organization C).

Controls here might have been put in place through the fears of selecting pecking order choices of debt and equity financing (Salawu and Agboola, 2008). Also in consonance with findings from one of my analysed articles (Borgia and Newman, 2012), that Chinese firms are “predominantly influenced by a strong dislike for external control” hence their opting for self-financing; there appears to be a correlation here with findings from my organization’s operations in the past and capital structures of some participating organizations. But this contradicts findings of other participating firms i.e. Organization C and King and Santor’s (2008) stance that control could still be maintained by family firm owners while employing the pecking order choice of equity financing.

Trust: From the interviews conducted (within my organization F and participating organizations A, B, D and E), I deduced that owners of organizations found it somewhat difficult to trust their administrators with capital structure decisions. Whether or not their fears and subsequent controls emanated from past fears or bank charges and interest rates (as previously discussed), the end result was a lack of trust between company owners P1, P3, P7 and P9 and their administrators P2, P4, P8 and P10.

Generational succession: the only reference to generational succession from my organization (F) was when the Chairman (P11) stated that ‘*We firstly consider what will be in the best interest of the family, the business and the legacy’.* The legacy here referred to transferring the business to future generations; conversely the group MD (P12) didn’t make any reference to generational succession.

However, owner participants from participating organizations (A, B, D and E) were more particular about generational succession based on their fear of company take over as reflected in previously stated precepts.

From the perspective of analysed articles, succession was majorly pronounced through an insistence on retaining business control in the family as observed in the findings of Croci and Doukas (2011) and Salawu and Agboola (2008). In particular the effects of generational succession on capital structures was understudied by Molly, et al (2011) to discover that debt financing is directly influenced by family generations when the relationship between finance and growth is taken into consideration and indirectly affected when the reverse is the case. This in other words relates to the fact that considerations for growth influences capital structure decisions by firm owners. As an example, a particular generation might not be particular about enhancing company growth, hence less insistence on accessing debt financing.

Expertise and experience: the expertise and experience of the group MD (P11) and employees in my organization (F) did not contribute to capital structure decisions in the past, until we embarked on the current capital structure decision to externally finance our operations.

In participating organizations, administrator participants P2, P4, P8 and P10 were particularly not happy that their experience and expertise were not relevant in making capital structure decisions, as they were of the opinion that they were well versed in making or partaking in capital structure decisions.

Mind-sets: the clash of mind-sets in my organization (F) influenced capital structure decisions because the chairman's (P11) mind-set of fulfilling family interests above any other quest clashed with the group MD's (P12) intentions to fund our operations externally. However since the chairman's (P11) mind-set became secondary to the group MD (P12) and employee mind-sets in the current change initiative, the capital structure decision to fund project externally has influenced capital structure decision in a positive way.

Likewise, administrators (P2, P6, P8 and P10)from participating organizations stated that their owner (P1, P5, P7 and P9) mind-sets affected capital structure decisions based on the fact that family interests were to be fulfilled*.* Here mind-set differences influenced outcomes of capital structures because owner interests were superior to administrator ideas of how best to finance business. However in some cases, mind-set clashes were deliberated on as such: Owner of Organization C (P5) **'***there are times whereby we have different views concerning projects to be financed but we however always reach a consensus after group discussions'.*

Agreement issues: the agreement issues observed from interviewing research participants from participating organizations C and E were in regards to financing contracts certain organizations had with banks based on certain beliefs. However, there were no such understandings and agreements in my organization (F) as we just for the first time accessed external financing, hence no outcomes to compare in this category.

Capital structure decision priorities: For both my organization (F) and participating organizations (A-E), owner and administrator participants (P1, P2, P3, P5, P6, P7,P8, P9, P10, P11 and P12) agreed that considerations of bank interest rates, collateral demands and loan repayment times etc., represented their capital structure decision priorities As an example the administrator of organization A (P2) stated that:

In addition to this, there were peculiar priorities which emanated from family interests that were considered in making capital structure decisions. Although participant administrators (P2, P6, P8, P10, P12) agreed with considerations for bank interests rates etc., they did not consider the aforementioned family interest of maintaining family legacies etc. However in my organization (F) these considerations have now been overcome as we have accessed external finance through bank loans. In contrast to this Burgstaller and Wagner (2015) state that Austrian firms are willing to accept debts with high interest rates in other to maintain business control through reduced cash flows. Although two of the Nigerian articles I analysed (Salawu, 2009; Salawu and Agboola, 2008) in consonance with findings from my interviews put it that Nigerian firms opt for short term rather than long term loans based on the low interest rates associated with them. This shows that capital structure decision priorities possibly act as decision pointers for Nigerian firms.

Conflicts: The owner of my organization (P11) interpreted conflicts as staff resistance that led to the change in our funding pattern, while the group MD (P12) described the effect of conflict on our capital structure decisions as cost cutting/ insufficient family funding and the diverse mind-sets on project priorities. This different schools of taught concerning the influence of conflicts on capital structures emanates from the clash between family interests and the group MD (P12) views.

On the other hand, both the owners and the administrators from participating organizations (A-F) agreed that conflicts influence capital structure decisions but differed concerning the sources.

CATEGORY/ RESULTS SUMMARY

The research findings typify factors that influence capital structure decision making between owners of medium sized family owned businesses and their administrators in Lagos Nigeria.

Research participants described each factor in unique ways, with some of them identifying these factors in relation to their organizational context and business history. In the data analysis coding process, the category that really actually encompasses these factors is the "Factors influencing capital structure decisions" category. Most of the owner' participants were more passionate in enumerating these factors while the administrator' participants mostly showed frustration in reaction to family controls on their firms.

From the other categories, certain factors which also influenced capital structure decisions were also deduced; which was my initial intention. Categories and subcategories like conflicts, capital structure decision priorities, mind-set, fear and trust provided diverse perspectives and insights into factors that influence capital structure decision making between owners and administrators of organizations.

Based on the fact that capital structure decisions were directly connected with family funds (whether sourced internally or externally) and owners of these organizations considered capital structure decision making to be of high risk; most of them preferred to maintain total or major control over these decisions. Hence in most cases, the administrators were not really involved in capital structure decision making but rather orchestrated decisions already made by the company owners.

Also, considering the fact that the funds were most times family owned and controlled, it was discovered that the business families heavily influenced capital structure decisions between owners and administrators of these organizations. In order words capital structure decision made by the owners of participating organizations were most times dependent on family decisions. As a result of family involvement in capital structure decisions, conflicts and disagreements at times occurred leading to decision time wasting.

SUMMARY

In this chapter, resultant data from participant interviews were analysed and grouped into categories for better and insightful analysis. Each category represents the factors that influence capital structure decisions which answer the research question of this action research project. This chapter commenced with a very brief introduction into how data was collected from participants along with an analysis of participant background. This was followed by a description of the analysis process in terms of how data was managed and how codes and categories were identified. Participating organization categories/ research results were discussed after which categories/ research results from interviews in my organization were enumerated on with excerpts from interviews. A comparative analysis cross referencing findings from both categories compared these categories towards achieving research results.

The next chapter (Discussion) will provide an insight into my capital structure mind-set.

CHAPTER 5: DISCUSSION

MY CAPITAL STRUCTURE MINDSET

After reviewing the literature on capital structures and conducting a comprehensive study on factors influencing capital structures within my organization (with a supportive comparative study of organizations similar to mine), I have come to some conclusions which I coined as my current state of mind on capital structure decisions. This state of mind emanates directly from the comparative analysis carried out in the data analysis section and indirectly from the literature review and my research work.

Firstly, capital structure from my point of view is very contextual in nature because capital structure decisions of family firms across differing countries or regions within countries are very much dependent on certain factors within these countries or regions. The contextual elements here are defined mostly by government policies of countries/ regions, fiscal policies, religious beliefs, cultures etc. In other words, how a particular family firm in country A would decide on its financing choices is heavily dependent on the aforementioned contextual elements and other elements in most cases. Considering the fact that Governments of countries or regions set financial policies, the ways in which constituent family owned firms would interpret these policies would normally define their capital structures.

In particular, firm by firm capital structure decisions are in some cases defined by the unique characteristics of these firms. Here firm traditions, inherited traditions, set beliefs, mind-sets etc., which emanate from within these firms either single-handedly or jointly define firm capital structure decisions (jointly here refers to internal deciding factors of capital structures collaborating with external deciding factors in defining a firms capital structure)

Taking a cue from the literatures I analysed and the research I carried out within my organization and participating organizations, it is evident that my capital structure state of mind is justified. From my literature analysis, Colli and Larsson(2013) discovered though a comparative analysis of two countries (Italy and Sweden) that although the development of family business in these countries showed similarities during earlier years, they individually developed into differing diversified industrial structures. In furtherance, while Swedish family firms transformed into becoming Swedish industries, Italian firms became smaller family firms. This here shows the effects of country wide policies on their family owned firms and how this effect can equally dictate the financing tone of family businesses domiciled within countries. In the same vein, King and Santor (2008) put it that capital structure decisions are dependent on legal, regulatory and market institutions of countries, hence they conduct their research with this factor in mind. Putting this point in a clearer perspective, Santos, et al (2013) posits that capital structure decisions are not only dependent on organizational characteristics, but are also dependent on legal frameworks of countries and institutional environments. Also in support of the institutional environment typified in the last statement, a study conducted in Austria by Burgstaller and Wagner (2015)found that banks in Austria play critical roles in capital structure decisions of family firms. These articles as aforementioned prove my point that capital structure decisions are contextually dependent.

Firm by firm capital structure (as afore stated) are also influenced by internal factors as shown in some of the articles I analyzed. Koropp et al (2014) finds that family firm capital structure decisions are influenced by family norms and attitude in regards to debt and external equity. They particularly discover that this influencesbehavioural intents to employ each funding choice, which consequently influences financing behavior. Secondly, Ampenberger et al(2011) discovers that the active involvement of families in their businesses impacts heavily on capital structure decisions. As an example they find that the involvement of founding C.E.O's negatively influences firm leverage. Earlier on in this chapter, I mentioned inherited beliefs as a case of internal contextual characteristics of capital structure. In typifying this point, Molly et al (2011) puts it that intergenerational differences impact on capital structure decisions in family firms.

From a different perspective, two of the Nigerian articles I analyzed (Salawu, 2009; Salawu and Agboola, 2008) put it that Nigerian firms prefer short term debts to long term ones due to the high interest rates associated with long term debts. In the Nigerian context, interest rates are jointly decided on by banks and the central bank which makes decisions on long term loan interest rate an institutional one. Hence, as I previously stated that capital structure decisions are contextually dependent, it is apparent here that based on the Nigerian context, short term debts are preferred by Nigerian family firms. However, since these articles did not specify the number of family businesses in their samples, I cannot categorically state that the opting for short term debts by Nigerian firms is peculiar to family firms. However from my professional experience, family owned firms make up the majority of family businesses in Nigeria.

Going by the results of my findings in this action research project and how they support my capital structure mind-set, while a good number of the research participants were not too disposed towards accessing external debts (especially owner participants P1, P3, P7 and P11), other participating organizations harboured peculiar characteristics that defined their capital structure decisions. This excerpt below shows how the owner of my organization (P11) exhibited his reluctance to access external financing:

'*previously we only considered internal funding from the family purse due to the expensive nature of loans and ridiculous collateral demands, but based on recent change initiatives and group wide clamour from members of staff; we are currently funding our current project through an external source'.*

The following excerpts show how research participants from participating organizations exhibited their reluctance to access external financing.

'When funding is considered I would say we firstly look at the affordability of facilities and salient charges that come with them. Also, repayment times have to be very flexible because as a manufacturing firm, we operate by offering credit lines to our customers which also has to be factored in to these loans'(Administrator of organization B, P4)

These excerpts show a contextual inclination towards reluctance to external funding which backs my mind-set. In addition, it is apparent from this that firm owner mind-sets supersede the mind-sets of administrator participants, based on the fact that they own and control their companies. This brings me to my second state of mind regarding family business capital structure decisions.

Although my research focused on finding out the factors that influenced capital structure decisions through the lenses of firm owners and administrators, I got to understand during my research work that the perspective of firm owners (P1, P3, P7, P9 and P11) exert more influence on capital structure decisions, based on the following reasons:

(1) In most cases, the owner represents the interest of the family and the interest of the family in family owned business comes first, while other decisions are second to it. This here is the major difference between family and non-family owned businesses because in contrast to publicly held companies where shareholders with diverse mind-sets make decisions, the common interests of the family of family owned businesses stands supreme. From my findings, most family businesses prefer to retain a 100% of the business in their families, hence their fear of external funding, especially through equity financing. As an example, my chairman (P11) never wanted to hear about equity financing as one of the company directors during our learning set sessions stated that equity financing would result in losing the business ownership to strangers. This fear is what creates the yearning to control financial decisions, hence a situation whereby a non-family administrator cannot be trusted to fulfil the family interest, as he is not part of the family and cannot understand the family vision. This here describes my state of mind that owner perspectives matter more as non-family administrators can only "dance to the tune" of their firm owners.

(2) Non-family administrators of family businesses are normally employed to fulfil purposes already agreed on by the family. During my interviews, I sympathised with the administrators as I got to understand the thinking of the owners. I deduced that most times, the owners hired these non-family administrators to fill technical or administrative gaps that could not be filled within the family. However, the non-family administrators (having been hired as a company administrator) become confused and handicapped, as they are left out of important organizational decision. As an example of how administrators are only hired to fulfil defined purposes, the Owner of Organization E (P9)stated that

'*As I stated the decisions are decided on by the family because we own the money. The MD then guides processes after this decisions'.*

(3) The business owners mostly preferred to handle financial decisions. During the interviews I deduced that just as family legacies were important to families, profit making was equally important to them; hence the decisions by the business owners to control firm financial

decisions. As an example, the aforementioned excerpt shows how the owner of participating organization E (P11) emphatically stated that "*we own the money, so there is no way the MD can be the decider of money issues".* This statement here depicts my second state of mind that owner perspectives on capital structures matter more.

Basically the fact that these businesses were family owned and these family interests were represented by the firm owners, most of the owners (P1, P3, P7, P9 and P11) were adamant in regards to leaving their capital structure decisions to their administrators (P2, P6, P8, P10 and P12). They wanted desperately to keep the business in the family, which impacted on capital structure decisions through the fear of losing part or all of their business to non-family members, by the way of company takeovers resulting from bank loan defaults or equity financing. This resulted in preference for internal funding (although external funding was also accessed in certain cases).

Considering the fact that participant administrators preferred to source externally for funds, there was a clash of interest between the business owners and their administrators. Based on the fears of the owners to relinquish ownership, they could not trust the administrators to fulfil their capital structures heart desires, hence their natural insistence on taking almost or total control of capital structure decisions. As earlier discussed, the latter reason is partly responsible for the decisions by firm owners to employ administrators to carry out functions different from capital structure decisions.

The owner of my organization (P11) strongly represented the interest of his family based on the fact that the funds used in carrying out company operations was family owned and managed. The group MD of my organization (P12) had since resorted to conforming to the management style of owner, based on how he had appeared to be comfortable with the funding pattern of my organization. It was during this change initiative I realized that the group MD wasn't in support of the inadequate family funding which had crippled operations in our organization.

For my organization, there was no resistance to family control over capital structure decisions from the group MD of my organization (P12), as this had for long been the status quo for past management teams (I say status quo here as this form of management style had been in place since the inception of the organization and all group MD's had conformed to this).

In other words the relationship between the owner of my organization (P11) and the group MD (P12) had been totally authoritarian, based on how the group MD carried out all the owner capital structure directives as 'commanded' without taking a stand concerning capital structure decisions. In particular, I realized that he was a type of manager that would normally carry out his boss's orders without trying to offer his own ideas were appropriate. In contrast to the owner's mind-set which was very clear to me, I couldn't place the group MD's mind-set but I reckon he was in support of the capital structure change based on his statement that '"*at this stage, we are still praying that we continue with external financing and that it won't just be a onetime thing".*

In my understanding I reached some conclusions regarding the participant administrators (P2, P4, P8, P10 and P12) and they are as follows:

(1) The administrators in most cases represented the interest of the members of staff as against the interest of their firm owners. Based on their expertise/ experience and their status as organizational heads, they felt slighted that they weren't involved in the capital structure decision making process of their respective organizations. Also the fact that their members of staff looked up to them for welfare and direction made them appear helpless as they were not able to appropriately influence capital structure decisions. In a particular instance, one of the administrators actually resigned from his organization based on the aforementioned reason and many more.

    In other cases, the administrators simply adhered to the dictates of the company owners; a situation which a learning set member in my organization attributed to "scarcity of jobs" in Nigeria. An example of this is how the group MD of my organization had in no way resisted the funding pattern in my organization as he appeared to have supported the family interest.

(2) Although I discussed earlier that the administrators had been employed to fulfil particular purposes rather than actually taking important decisions in their organizations, they seemed not to conform to their actual roles. The administrators stated that they only partook in capital structure decisions on consultative basis while the owners of their organizations put it that they partook in capital structure decisions as required (i.e. in the case of organization B). From my point of view administrators that had previously worked in publicly held companies would have had a hard time understanding why they had been employed as company heads and still could not influence capital structure decisions in their capacity as company Administrators.

RESOLVING CAPITAL STRUCTURE DECISION MAKING PROBLEMS FROM A NIGERIAN PERSPECTIVE

From the interviews I conducted, I gathered that the 'fear of the unknown' controlled the thinking of firm owners in terms of capital structures. From the Nigerian perspective, business owners are always conscious of maintaining family legacies by keeping the business in one piece and also transferring it to future generations. Hence, in other to overcome this fear of the unknown, business owners in Nigeria would have to put aside the fear of high collateral demands and interest rates, as certain banks and financial institutions are always open for negotiation regarding financing. Unlike in the past, they tailor business financing in accordance with specific organizational peculiarities. As an example of this, at the point whereby the owner of my organization decided to consider external funding, we approached three financial institutions that had been selected based on our internal research of their track records. The steps we took are as follows:

(1) We explained our fears concerning accessing external financing to them in details and our current financial situation. Concerning our fears, we expressed our reservations in regards to their collateral demands and exorbitant interest rates. We also enumerated enormously on the fact that the owner of the organization was overly concerned about losing ownership of his families firm, based on the fears of company take over emanating from external financing.
(2) Two of the financial outfits stated that although they were not out to take over our organization, the interest rate and collateral demands were somewhat un-negotiable as that was how they could guarantee their funds

(3) However, the last financial organization advised us to always carry out research on different financial institutions and their current policies, as they always tailor their business to fit prospective clients. They made it known that the way they structure their interest rates and collateral demands were dependent on the goodwill and track record of prospective clients. Hence based on their assessment of our organization, they worked out a financing package that the chairman of my organization agreed to immediately it was presented to them. The interest rate was minimal while the collateral they demanded for was a personal guarantee from the owner of the organization based on the financial outfit's assessment of our firm.

From this analysis, what is apparent is that beyond the fears and speculations of the owner of my organization, we reached out to financial institutions and the selected one informed us of current financing structures that we had been unaware of. My point here is that rather than harbouring fear for high interest rates and exorbitant collateral demands of external financing, it is better to firstly "communicate" with possible financiers by stating in clear terms what is required in regards to financing and plans on how to guarantee that the financier funds will be repaid. One of the important things to note here is the power of communication which results in constructive negotiations. If we hadn't decided to communicate with these financial institutions, we wouldn't have gotten a workable solution towards external financing.

I realized from the categories in the data analysis chapter that etc. the factors that would impede communicating with financial institutions are fear, trust and control. The fears of the owners resulted in a lack of trust in the administrators to handle capital structure decisions which resulted in control that restricted any intent by administrators to set up negotiations with possible financiers. In other words if the factors influencing capital structure decisions are to be overcome towards accessing external financing, factors such as fear, trust and control would have to be put aside by the owner to allow the administrators communicate with possible financiers. Although putting these factors aside would mean resisting the control of the firm owners which might prove difficult, but persistence for change from members of staff in an organization might change their mind-set as in the case of my organization.

A PROPOSED CAPITAL STRUCTURE MODEL

From the analysis and my mind-set on capital structures, I came up with a model of how factors that influence capital structure decisions between owners of family firms and their administrators could be better worked on in other to make positive capital structure decisions.

The first step is to "overcome the fear of the unknown" in regards to the factors influencing capital structure decisions. I realized that the owners of participating firms (organizations A, B, D E and F)) lived in a fear of the past as it concerned bank debts and equity financing. Although they accessed bank loans, they still preferred internal funding based on past financing traditions, without a consideration for current happenings in the Nigerian financial terrain. These past traditions include inadequate self-financing, singular banking agreements etc. which had been inbuilt into the "DNA" of these organizations as an intrinsic part of their daily operations. However, overcoming this fear can only be possible though the tenacity, courage and steadfastness of a member of staff (preferably of a high hierarchy) who will work assiduously to ensure the fear of external financing is overturned, as this fears can be termed as “wicked problems” that are not easily unearthed.

This change agent would have been a part of the problem and also take ownership of the problem at all cost (at all cost in this context refers to the downside of starting off as a standalone change agent that stands the risk of been dismissed from his or her organization; especially in Nigeria were employment opportunities are very scarce) if solutions are to be gotten. This change agent will carry out continuous research as it pertains to capital structure in his or her organization and on the countries financial terrain. Also in other to get adequately informed about capital structure decisions from different contexts, the change agent will employ evidence based management by learning what is applicable to his or her organizational context.

One of the most important aspects of this process is garnering the support or buy-ins from important stakeholders (after the stakeholders must have been identified) and other members of staff.There is a saying that “there is power in numbers” which connotes the fact that people working together are greater rather than when they are working apart. In some cases, this might be easy if majority of the members of staff consider capital structure decisions to be a problem however when these members of staff consider the fact that they might lose their jobs or get penalized for their participation in resisting existing or traditional capital structures, they might be initially reluctant until they see a good reason to support the resistance. This part of securing buy-ins for the change process could be deduced through the action learning precepts of setting up action learning sets by which stakeholders and other members of staff are introduced to and educated on action research.

After action research has been successfully embedded, the next stage is to communicate findings and learning set intentions to the highest hierarchies in the organization (i.e. owners and family members if they do not already know about it) in other to enable them overcome their fears (as previously mentioned). In addition, it is important here not to disregard the reservations of the company owners but to integrate these reservations into the communication through workable solutions. This might not be easily achievable as earlier discussed but through persistence and continuous securing of stakeholder buy-ins, results could be achieved.

If the communication stage is successful, then negotiations with possible financiers (after the financiers must have been sourced for through research) are arranged with serious considerations for owner reservations to reach workable conclusions in the form of financing structures.

At each stage, lessons learnt should be documented for future capital structure decisions so as not to make repetitive mistakes and also for the purpose of making better informed capital structure decisions.

Figure 1. showing my proposed capital structure model

Change agent → Capital structure research → Evidence based management on differing business contexts → Stakeholder analysis → Securing Stakeholder buy-ins (partly through learning precepts and learning sets) → Communicate learning set findings to highest organizational hierarchies (it is extremely here to build in form owner reservations into every communication) →

Research on prospective financiers → Negotiate with financiers (it is extremely here to build in form owner reservations into every negotiation) → Access external finance
Documentation of lessons learnt.

SCHOLARLY PRACTICE

I believe this success might have been unachievable if I wasn't a scholar practitioner based on certain reasons which are as follows:

1. Before I enrolled on the course, I had tried several strategies to resolve the problem of inadequate financing but all to no avail. When I enrolled on the DBA course of study, I was sceptical but I intended to find a lasting solution to my workplace based problem which made me optimistic and hopeful. This course exposed me to the precepts of action learning and research which I applied across my organization. These precepts (critical reflection and questioning, ownership of problems, metacognitive thinking etc.) not only brought about a transformative change in my organization but across other companies in the organization. The fact that I was a scholar (analysing the problem from an academic perspective with the constructive criticism and questioning from academic learning set members and module tutors) studying my workplace based problem from the outside and having a unique contextual understanding of the problem as a practitioner from within the organization, put me in an advantaged position to resolve workplace issues. In other words, I have learnt that workplace based problems, especially the ones that qualify as "wicked problems" are best resolved by being a scholar practitioner armed with both academic and practice knowledge.
2. Evidence based management as discussed by (Rousseau, 2006) has been a unique learning for me as a scholar practitioner. Before I enrolled on the DBA course I never imagined a situation whereby I would apply business strategies from academic literatures to problem situations in my organization. On the realization of the possibility and its workability, I learnt how to tailor solutions in academic literatures to problem situations in my organization. However, I had to learn the strategies of assessing the contexts within which solutions were been rendered in order to very well tailor academic strategies to problem situations in my organization. Over the years, various workplace based problems (pay and job grade irregularities, negative unionism etc.) have been resolved either wholly or partially through evidence based management. As a scholar practitioner, I have inscribed the precepts and practice of evidence based management in my everyday management as I apply it in problems solving and management solution rendering.
3. My career as an academic and business researcher has made me an important asset in my organization as the chairman and the board of directors have saddled me with the responsibility of supervising processes concerning organizational problems across the group. My knowledge as a researcher has developed over the years through my practice as a scholar practitioner. The use of action learning in understanding and resolving workplace based problems within my organization is as a result of consistent and continuous scholarly practice with collaboration from both academic and organizational learning set members and module tutors. So therefore, my learning as a scholar practitioner has enlightened me on becoming a sound and informed researcher.

LINKING DBA LEARNING SET OUTCOME TO RESEARCH OUTCOME

In order to avert confusion, I intend to separately define both outcomes while simultaneously showing the link between them.

The Learning set outcome centres on my work and that of the 'co-researchers' (action learning sets) towards resolving workplace based problems from the inception of the DBA study till date. This was done through a change initiative in my organization

The Research outcome focuses on this action research project and its aim in answering the research question '*What are the factors that influence capital structure decisions between family business owners and their administrators in medium sized organizations?'*

The way in which they are linked and dependent on each other is that, the answers to the research question will be employed in ensuring that decisions concerning capital structures in my organization become permanently positive. "Permanently positively" here refers to a situation where capital structure decisions would always lead to "adequate and inexpensive" financing.

The workplace based problem which was termed "inadequate financing" at the inception of my DBA study (because the owner of my organization underfunded company operations and refused to access external funding) has overtime evolved to a current situation whereby, the organization has for the first time accessed external funding leading to company operations been adequately funded.

SUMMARY

At the inception of the DBA course of study (which produced this action research project) I was determined to resolve a "wicked" workplace based problem of "inadequate financing". This problem statement metamorphosed through the years and was finally researched on as 'factors that influence capital structure decisions between owners of family businesses and their administrators in medium sized organizations'.

Through an action research change initiative that resulted in this action research project, I was able to effect change in my organization as for the first time in the history of my organization, we accessed external funding from a bank to fund our projects. Contrary to the accustomed company operations of underfunding its projects, projects are currently been fully funded with no "halt in operations".

Currently, the family owners of the business remain sceptical in regards to the external funds and are seriously monitoring operational processes involving this loan facility. Based on the results of this action research project and the analysis/ conclusion of organizational learning set members, the factors that have been discovered to influence capital structure decisions will be worked with to ensure that the fears of family owners of the business are allayed.

As an example, members of staff in my organization (co-researchers) have initiated a project whereby all future external financing will be scrutinized to ensure that identified factors influencing capital structure decisions are eradicated, so as to satisfy the business owners on one hand and the non-family members of staff on the other hand (in-terms of efficient company operations, organizational profitability and improved staff welfare).

With these steps taken, I am certain that this action research project has resolved the workplace based problem and will result in continual research and problem solving through iterative action research cycles.

Lastly this research work has added completely new and actionable knowledge to the capital structure literature based on its Nigerian context.

CHAPTER6: ACTION

The aim of this chapter is to depict how I got to understand the capital structure reservations of the chairman of my organization (especially as it concerns external financing) and actions that led to deliberations with the chairman and other stakeholders towards positively influencing our capital structure decisions in the way of accessing external finance.

These actions are encompassed in the capital structure model I proposed in the discussion chapter. This model embodies events that led to a better improved capital structure in my organization.

ACTIONS THAT LED TO THE ACCESSING OF EXTERNAL FINANCE IN MY ORGANIZATION

Fear of the unknown: In overcoming the fear of the unknown, I realized that internal funding had for long (almost 30 years) been my company's culture. I was faced with a dilemma on assuming the office of the managing director because I was caught in between resigning myappointment or staying on board toadhere to the funding culture of the organization. Determined to bring about change in the organization, I concluded that it would be cowardly to resign from the organization and also unfair to my staff to adhere to the poor welfare situation in the organization; hence my decision to resolve the workplace based problem in my organization. I proceeded by engaging the services of financial consultants (towards resolving the workplace based problem) and calling on some identified stakeholders (internal and external) to influence the chairman's capital structure decisions, but all to no avail. At this stage, I realized I was faced with a "wicked problem" that needed a far reaching solution however at that point, getting a solution seemed impossible. Along the line, I enrolled for the University of Liverpool DBA course and was exposed to the concept of action learning and problem solving. This brought me to the realization that my workplace based problem could be possibly resolvable. At this point I was alone in this initiative to change the financial situation of my organization and as such a "singular" change agent who stood the risk of been blacklisted or dismissed from the organization. Nevertheless, I assessed the situation and concluded that I was going to do everything possible to bring about a change in our financial situation with the help of action learning precepts. To start with, I took ownership of the workplace based problem as I realized that I was part of the problem and the problem was part of me. Consequently I carried out research on external financing in Nigeria based on my intentions to discover how valid the fears of the chairman concerning external financing were (this was due to my notion that if their fears were truly valid, then there was no point resisting their capital structure decisions). I conducted this research by carrying out investigations on financial institutions in Nigeria through their debt policies and financial packages. In doing this, I consulted with top financial consultants and colleagues in the banking sector of Nigeria. We worked assiduously for weeks until we discoveredfinancial institutions that operated financing packages suited for the uniqueness of my organization's financial situation. Importantly, I also confirmed the validity of the chairman's fears as I discovered that the financing packages offered by old generation banks (Nigerian banks that had been established in the 60's and 70's and have failed to evolve in their style of operations) came with stringent policies that were capable of discouraging family business owners from accessing bank loans. Furthermore, findings from my research showed that there were organizations that had successfully employed tailored financing packages. I approached two of these organizations and found that it was actually possible to tailor financing packages to unique organizational problems. Armed with this knowledge, I became certain that my workplace based was resolvable based on the fact that the "fear of the unknown" harboured by the chairman concerning external financing was avertable. However, I feared that I wasn't knowledgablyequipped enough to resolve the problem as well as securing buy-ins from important stakeholders.

Through the weekly learning set collaborations with co-DBA researchers and assessment feedbacks from the module tutor, I learnt the precepts of evidenced based management (Rousseau, 2006) and how it could be applied in resolving workplace based problems. Through this concept I discovered research works such as Ezeoha&Okafor (2010); Myers (1984); DeAngelo & Masulis (1980); Mello and Parsons (1998); Huang & Ritter (2009); Baker and Wugler (2003); Driffield et al (2005); Berger and Udell (2006). These articles educated me on capital structures across differing contexts after which I tailored relevant practice to my workplace based problem. As an example, the trade-off theory by DeAngelo & Masulis (1980) and the pecking order theory by Myers (1984) enlightened me concerning how organizations chose to finance their operations through debts due to tax benefits and also, how firms financed their operationsthrough the pecking order selection of self-financing, external financing and equity financing. After I had gone through this learning, I engaged in a back and forth communication with my academic learning set members and module tutor concerning the creation of action learning within my organization. They critically questioned my assumptions and gave their opinion regarding the next line of action.

Stakeholder Buy-ins: Solicitation of buy-ins from all stakeholders; as can be related to the notion of trialectics where attractions have to be secured for active actions (Ford & ford, 1994) was the next action for me. In other words, I had to sell my idea of change as it concerned external financing to other members of staff; especially the important stakeholders. In doing this, I firstly carried out stakeholder analysis by analysing members of staff that had the hierarchical powers to inhibit the external financing process. Through this, I discovered stakeholders such as some senior managers, senior production supervisors etc. I then called a meeting with these stakeholders wherein I proposed the idea of action learning to them over 5 consecutive sessions. These sessions extended to 5 long sessions because most of the stakeholders resisted the idea of action learning. During these sessions, I explained the principles of action learning (such as setting up action learning sets. critical questioning, ownership of problems etc.) to them which they initially struggled to understand, but later decided to accept. This happened because some of the stakeholders I had successfully "bought over" decided that, we as an organization should give action learning a trialand then inform the chairman and directors of our intentions, after the successful outcome of action learning in the organization. The forum agreed to this and we decided to carry out action learning trials within the organization .This trial proceeded with the setting up of organizational learning sets that spanned across various organizational departments and interest groups. Learning sets comprised of all cadre of staff, with set meetings coordinated by senior members of staff, deputized by junior members of staff. Issues of all sorts were deliberated on in these set sessions and set meeting were held bi-weekly (this process is explained in detail in the methodology chapter under the heading "set activities").

As time went by, news of the positive results from across learning sets in resolving long standing workplace based problem spread around the organization like wild fire. Stakeholders and other members of staff that had been cynical towards the practice of action learning came on board in good numbers and supported its practice. This was based on the successes achieved in resolving some wicked problems (negative unionism, job and pay grade irregularities etc.) which had for long created instability in our organization. There was general peace within the organization (due to the achievements of the learning sets) and information got to the chairman and his directors concerning the learning set activities. Thechairman and his directors were suspicious of the action learning sets and made moves towards stopping it, but they realized it had gained a lot of grounds as a majority of the members of staff had actively participated in set activities and were already dependent on its continuity for better welfare packages. As an example, when I got the information that the chairman and his directors had concluded plans to terminate action learning practice in my organization, I called for a set meeting and I informed members of staff on this happenings. Unknown to me, all learning set members had sent a petition to the chairman and directors concerning how the practice of action learning had been the best thing to happen to the organization and the fact that terminating set activities would lead to an uncontrollable crisis (by crisis, they referred to members of staff resigning en masse).

Aggravated by this, the chairman and the directors wrote to me informing me about how distraught they were that I had created a union of staff to work against the family and their interests. They requested for a meeting where I was instructed to present my case and why I had initiated set activities.

Before this occurrence, I and some senior managers had been in a back and forth negotiation with some of the influential directors and family members, as they had become interested in the progress of our organization (they wanted the company to expand, improved staff welfare packages and increased profit), hence their interest in learning set activities. Although they were in support of external financing, they also shared the concerns of the chairman and other directors concerning takeover of their company (through loan repayment defaults), exorbitant collateral demands, high interest rates etc. They made it clear that they would only support our change initiative if we assured them beyond reasonable doubt that we would protect the interest of the family in negotiating for external finance. It was at this stage I informed them and showed them documentation about the research I had previously conducted on financial institutions in Nigeria concerning their debt policies and financial packages. They then promised to support our initiative but asked us to be patient as they needed time to plan and garner more family support.

Communicating findings/ Negotiations: Before attending the meeting I was summoned by the chairman and directors, the directors and family members that we (myself and the senior managers) had held secret discussions with directed me to present the findings I had previously shown them to the chairman and the directors at the meeting . They promised to take the matter up from there as they assured me that they were still very much in support of external financing. At the meeting, I presented my findings and also defended the practice of action learning through the learning sets. I was told to appear before the board the following day to get their verdict. To my surprise, I was directed to carry out negotiations with prospective financiers under the supervision of the group managing director until I was able to secure a good financing package. The negotiations then proceeded as I described in the discussion chapter under the heading "Resolving capital structure decision making problems from a Nigerian perspective".

On presenting the outcome of the negotiations to the chairman and the directors, they accepted the package and directed us to proceed with the bank debt. However, they made known their reservations that the loan will be closely monitored and that the outcome of this external finance will determine the future capital structure of the organization.

ORGANIZATIONAL LEARNING SET'S REACTION TO RESEARCH CATEGORIES

Some of the learning set members in my organization reacted adversely to the nine research categories as they stated that the nine factors I had discovered to influence capital structure decisions were not at all close to the factors they had expected. They had expected the research work would uncover more "life threatening" problems that would act as factors influencing capital structure decisions, based on the number of years the organization had faced the workplace based problem of inadequate financing. This I considered to be an extension of their reactions to the interview precepts where they had stated that they had expected more ''wicked problems''. However I had imagined they had already gotten used to the research outcome based on how we had crossed checked the question one more time and had unanimously agreed that the set interview questions were a true reflection of our workplace based problem.

On carrying out further enquiries, I gathered that these warring set members had taken advantage of the occurrence that happened during the interview precepts analysis to render the research results invalid and undependable. Furthermore this set members had the support of board members that had opposed action learning from the unset. In resolving this issue an ensuring that the research results were accepted by set members, I engaged in "aggressive" evidence based management in explaining how this research results were not only peculiar our organization but also to organizations around the world. Also I reminded them on how we as learning set members had ensured rigour and meticulousness in designing this research work and how we should own the result because it was a true reflection of issues that influenced capital structure decisions. This resolved the problem on the long run and the research results were accepted and diffused.

BACKGROUND PROCESSES

Apart from the direct actions that led to the accessing of external financing, there were some background processes that indirectly contributed to successful outcome of our capital structure and they are as follows:

Academic learning sets/ Module tutors: From the onset, I had set out to resolve the problem of "inadequate financing" during the module change and management crisis. My academic learning set members were very instrumental in ensuring I understood the reason why I needed to resolve the workplace based problem of inadequate financing as a "root cause" issue. In particular one of my learning set members asked that *how come the problem of inadequate financing always reflected during each module problem solving exercise I presented to the set*? In other words, at the times I had stated that I was facing the problems of negative unionism rumours etc., I was always referring to the problem of inadequate financing as an aspect of these problems. This set member went further to state that he had observed inadequate financing to be the "root cause" problem of other problems in my organization and it will onlybe beneficial for me to resolve the "root cause" problem before trying to resolve the off spring problems. Basically he advised that I should resolve the problem of "inadequate financing" during the course of the DBA until it was taken care of, rather than putting it aside to resolve offspring issues.

At this point time, my organization hadn't accessed external financing and this comments spurred me into converting the problem of inadequate financing into my action research project since it was the "root cause" issue around which other organizational issues were built (after the DBA learning set members comment, I also reflected deeply andcarried out further research before I came to the conclusion that inadequate financing was a root cause issue for my workplace based problems). However, when I proposed this idea to the learning sets in my organization (putting other workplace based problem aside to focus totally on inadequate financing), they refused to heed to my advice.

DBA Residency/ Conference paper: Just before the residency program, I had decided to study the workplace based problem of inadequate financing for my action research project, however there were times I contemplated on this idea as I also wanted to explore other workplace problems like unionism. On attending the University of Liverpool DBA residency, I discussed with my action learning set members and they asked me the following critical questions:

1. Was it not the problem of inadequate financing that created most of the other issues in your organization?
2. Would researching on negative unionism resolve the monetary issues within your firm?
3. Have you discovered the root cause problemwithin your company?

These questions incited deep reflection and metacognitive thinking for me as follows:

1. Based on the first question, I had to refer to the initial rich picture I produced at the inception of the DBA and the thinking process behind the rich picture. Also, I compared notes from course works and learning set interactions. Consequently, I reviewed mental notes from happenings within my organization at that point in time
2. I reflected on the second question and my answer to this question was that, only by finding a solution to the monetary issues within my organization would I eradicate the problem of negative unionism; as it was financial issues that led to the creation of negative unionism within the organization.

Through steps 1 and 2, I re-confirmed that inadequate financing was the root cause issue. After the residency, I carried out research for a seminar paper which is what gave birth to the topic of this research work ‘factors that influence capital structure decisions between owners of family businesses and their administrators in medium sized organizations’. On presenting the seminar paper at a second residency programme, I was asked critical questions and constructively criticized regarding my research work. These questions and criticisms helped in preparing me towards employing my research work in resolving the workplace based problem of inadequate financing. (the DBA residency program and its impact on my research work was thoroughly discussed in the methodology chapter under the heading "Action Research project development").

Internal Interviews: The research interviews for the chairman and the group managing director of my organization influencedfirm capital structure decisions, as it showed both research participants how academically relevant good capital structure decisions were. In addition, they were interested in knowing the outcome of the research, especially as it concerned interview results from participating organizations A to E. Based on the learning set participationin my research work, they were confident of the fact that external finances would be very well handled by members of staff without creating problems for the family and its business. As an example, the chairman made a comment at a private meeting I had with him that, *"I didn't know you people were this serious in getting your money. The group managing director and I were impressed with the structure of your interviews and research work. At least we are now more certain that we have capable hands to handle money".*

AT PRESENT

Based on action research, my organization has successfully accessed external funding (which is a positive outcome for my action research project) to fund its operations. However, there is a feeling around the organization that the chairman and board of directors are certain that the loan facility process will interfere with their family stance and beliefs, based on the following statements by the owner and the group MD of my organization (P11 and P12). The owner was asked if he would prefer to fund company operations through alternate means?, while the administrator was asked that apart from the current bank financing are there other finance sources you would want to consider?. They answered as such:

"Not for now, we are still getting used to our first time using bank loans"

'At this stage, we are still praying that we continue with external financing and that it won't just be a onetime thing. So we haven't gotten to the stage of considering other sources'.

In view of this fact, members of the staff concluded that even though we have accessed external finance and it seems at present that our operations will be well funded now and in the future (which is our goal), the chairman and the board of directors will not hesitate to 'pull the plug' on external financing if the loan process fails to meet their expectations.

In light of this revelation, organizational learning set members decided (after much critical reflection and questioning) that we firstly need to further understand what the expectations of the chairman and the directors are in regards to the loan facility. Following this, each identified factor found to influence capital structure decisions will be analysed by the learning sets in my organization, so as to ensure that the loan process meets the expectation of the owners. In addition, there is a plan to continually carry out research on stakeholders such as the chairman, individual board members, other family members, external stakeholders (suppliers, distributors) etc. This in order to discover apparent and salient factors that might interfere with the accessing of external finance in the future.

Some of the learning set members in my organization on seeing the seeing my results stated that if we had approached the financiers a long time ago, we would have expanded our business to about 10 times the size of our organization. They based the latter statement on a lack of a change agent because according to them, if we had a change agent that had strongly resisted inadequate internal funding, accessing of eternal funding would have immensely improved company profitability and the welfare of staff over the years. In furtherance, they stated that it was obvious that the financial terrain in the Nigeria had become very competitive over the years, as financial institutions had come up with better financial structures for firms willing to access external funds. Also they stated that it was in the best interest of organizations to take advantage of this situation towards properly financing operations in their organization. We realized through leaning set deliberations of the research results that the factors influencing capital structure decisions like fear, trust, control, generational, succession etc., were legitimate reasons (when viewed from the lenses of firm owners) that needed to be considered by learning set members when planning to access external financing. As an example, the considerations of generational succession cannot be separated from the owners of family businesses however, it is important that this is strongly considered during negotiations with external financiers so it can be put into consideration in tailoring funding packages. The way we had agreed in our learning set to deal with the root cause issues of workplace based problems (inadequate financing) was also commended by set members, as they agreed that any organization that had financial issues and failed to deal with it might continue to wallow in a cycle of work place based problems.

The external interviews also shed light on possible problems that occurred with having binding agreements with singular financial institutions and religious institutions. However, some set members were divided over their preference for non-interest Islamic banking as some made it known that the owners would prefer its less expensive appeal.

ACTION CONSEQUENCES AND INNOVATION DIFFUSION

Thinking back, I remember a discussion I had with a consultant that had worked with one of the organizations in our group of companies. He stated that "*do you realize the real reason why the chairman and his cohorts agreed to take the loan was because of the signals they got from other organizations asides your own? This was what actually stimulated their decision as they could not understand why your practice had become so famous and hence they were conscious of what might happen if they didn't go with the loan*"

Flashing back, the way in which senior managers and managing directors of organizations within our group of companies had approached me concerning setting up action learning sets within their organizations had been fulfilling for me, both as an action learning manager and a leaderful leader. This was brought about not because these senior managers and managing directors had wanted to approach me but because their members of staff had insisted on been part and parcel of the change process from within my organization (N.B. it was only within my organization that I had set up action learning. Other organizations within our group of companies were not practicing action learning) Below are some of the statements from these senior managers and managing directors:

“Please can you come and finish what you started because my staff won’t let me rest concerning the practice in your organization. They have become really interested and that is all they talk about and are interested in. How did you do it?”

“How can we come on board with the change in your company. We want to be a part of it before we are left behind. I especially don’t want to be rendered irrelevant in the face of current happenings because your group meetings seems to be the order of the day that everyone is clamouring about”

In general, the journey from been a lone change agent to an action learning managing director who initiated a change initiative that not only occurred in his organization but resonated within the whole group, has very well impacted my development as a managing director.

SUMMARY

In summary, this chapter has presented in details the research works (in the form of actions) that were carried out towards the accessing of external financing in my organization. The aforementioned actions towards the accessing of external finance in my organization were described through the lenses of this proposed model, as the model embodied the current capital structure process I and the learning set members in my organization championed. In particular, the current situation concerning accessing external finance in my organization was enumerated on as a means of typifying the implementation of our capital structure framework. Here, organizational learning set member’s reactions to external finance were explained and interpreted.

CHAPTER 7: REFLECTION AND CONCLUSION

The first part of this chapter focuses on my development as a scholar practitioner resolving a workplace based problem whilst simultaneously been a managing director and a scholar. The ways in which both my academic and workplace learning set members have influenced this action research project forms an integral part this development, especially in regards to how I am been regarded as a leader by my colleagues. In other words, I have metamorphosed from been just a managing director to becoming a leader that has positively influenced a successful change in his organization hence, having a followership of a majority of my members of staff who continually look up to me for organizational direction. This is evident in the statement made by the chairman of my organization that "*You have now become the voice of the organization through which members of staff get their wants. Hopefully you will use this opportunity positively because these employees believe so much in you to lead them to the promise land*". Based on this statement and many more I will now document my reflections.

ACADEMIC LEARNING SET IMPACT

From the inception of my study to the current period, the learning set members in my organization impacted on my development as a leaderful leader (Raelin, 2003) and an action learning managing director. Reflecting back, before I enrolled for the DBA course, I had been a manager with the belief that while it was somewhat necessary to manage organizational teams through team lead leadership styles (organizational decisions made through teams), It was more important to be authoritarian in making important decisions. This is because I had been groomed in this organizational style both from organizations I had previously worked and in my current organization. However as I began to actively participate in this course of study, the module works and continual learning set collaborations moulded my thinking into becoming a better informed managing director.

The weekly learning set deliberations reinforced my yearning for a change of the financial situation of my organization, as I was constantly criticized by my learning set members anytime I intended to impose certain ideas on them. At certain times, I had engaged in evidence based management and sought the advice of academic learning set members before applying learning's to my organizational practice but learning set members in my organization had vehemently rejected these learning's. This situation had been frustrating for me based on the fact that I could no longer impose my ideas on organizational set members due to the laid down rules of our action learning practice that all issues were to be voted on. During these times, my academic learning set members had been very helpful in guiding my thinking from the authoritarian perspective to a team led one. As an example, one of my academic learning set members ones stated that "*the reason why action learning is working in your organization is because members of staff now have a say in organizational decisions. The moment you change the status quo to imposing your ideas, you will lose the trust of your staff and hence destroy the practice*". Statements like this guided me towards becoming a leaderful managing director, especially when one of my academic learning set members criticized my module work that I should firstly resolve inadequate financing as a root cause problem before resolving other workplace based issues. I had tried to impose this idea on the learning set members in my organization but they had totally resisted the idea. During this period I had been really tempted to change the status quo (to imposing ideas on my organizational learning set members) but the continual guidance by academic learning set members developed me into a managing director that accepted and actively practiced team led management style.

On the other hand, when I had decided to research on inadequate financing as a root cause issue through this action project, I was at certain times faced with different problems within my organization that had almost made me give up on my pursuit for the change in its financial situation. As an example these problems, I was once engaged in an argument with one of the directors in my organization that had been against my change initiative and had wanted me out of the organization by all means. This director took it upon himself to ensure that all action learning processes were disrupted, as he worked with some senior members of staff (that reported to) me in trying to sabotage the practice of action learning and accessing of external finance. Here I strongly considered terminating my change initiative however, as I brought this issue to the academic learning set, they critically analysed my thoughts and then constructively provided their feedback on how to continue with the action learning sets while simultaneously championing organizational change towards accessing external finance. A good description of how this shaped my practice as a managing director was when I was encouraged by a learning set member to apply the concept of journaling in understanding the metacognitive reasoning behind the director's action and as a result, discover how best to secure his buy-in into my change initiative. Initially I had considered this to be impossible but on carrying out the exercise, I was not only able to secure his buy-in but in addition, he became one of the directors championing the change initiative. This had emboldened me and as I now reflect back into the past, I realize that had it not been for the intervention of my academic learning set members, I would have fallen short in my duties and research work as an action learning managing director/scholar practitioner.

Before I attended the 2 part DBA residency programmes, I had wondered how I would sell the idea of studying inadequate financing through this action research project to the learning set members in my organization, based on how they had rejected our focusing on the problem as a root cause issue (as previously discussed). Here I realized I had not perfected my persuasive skills in selling ideas to the learning set members in my organization. However, I attended the residency programs with an understanding that if the learning set members were going to be co-researchers for my action project, then I will require their buy-in into my action project idea. Also before theseprogrammes, I had considered on researching on a different workplace problem (negative unionism) for this action research project; based on how the learning set members in my organization preferred not to focus on inadequate finance as a root cause issue.

On participating in this residency programs, my learning set members asked for the topic of my action research project and I stated that I was in a state of confusion. They were very insistent that based on their experience of my workplace based problems I presented to the set submissions over the years; I had to seriously consider resolving the issue of inadequate financing through my action research project. However, I explained to them that I had a hard time selling the project idea to the learning set in my organization (which is part of the reason I considered other project ideas) and they asked me critical questions which incited deep reflection and metacognitive thinking for me (as described under the background processes section of the action chapter).

In furtherance, I asked one of my academic learning set members on how best she would advise I present the problem of inadequate financing (as my action project focus) to organizational set members and she advised that I should be thoroughly truthful with them, and also explain in detail the advantages of resolving inadequate financing. Armed with this, I met with my organizational learning set members and successfully secured their buy-in into this action research project. Basically, I was able to do this based on how I had presented the critical questions posed by my academic learning set members to them and how they had come to the self -realization of what had to be done. This again was possible through the intervention of academic set members and how they had been helpful in guiding me on how to positively influence my practice as a managing director through the selling of positive ideas to my learning set members.

ORGANIZATIONAL LEARNING SET IMPACT

The first impact of my organizational learning set on my development as a managing director was when I successfully secured the buy-in of senior managers in my organization towards accepting, coordinating and practicing action learning. This motivated me in my role as a managing director, because I realized I could possibly bring about positive financial change within an organization that had long been embedded in the culture of inadequate internal financing. The way in which I coordinated all learning set activities without having to impose my ideas on set members changed my mind-set as a managing director and paved the way for me towards becoming a scholar practitioner. The point I actually realized I was undergoing a transformation from been an authoritarian manager to a team led manager was when a senior manager that coordinated one of the organizational sets stated that "*thank you for creating action learning, I have learnt more as a manager in this short while than I have in all my career. Listening to the staff share and vote on their opinions has been very productive"*. This made me understand that beyond resolving a problem of inadequate financing, I was also leading a team of co-researcher's to becoming more leaderful leaders rather than authoritarian decision makers. This made me aware of my role as a managing director bringing about not only financial change but also mind-set change.

Reflecting back on the research interview I conducted with the chairman of my organization, he stated that '*we are in a transition regarding our decision process; decisions were previously made by senior managers, HOD's and MD's at the management level, while I and the board members made decisions at the board level. However, a recent change initiative by one of our MD's has started impacting on the whole group in terms of decisions been made by teams in the organization. Although within the MD's own organization this has almost been perfected, the change is still in process within other organizations in the group'*.

Before I conducted this interview, I never realized the financial change initiative I had championed in my organization had impacted other organizations in the group to an extent that was noticeable by the chairman. In addition to this, the group managing director from the research interview I conducted stated that, '*currently, I might not be able to say all the companies in the group have a particular decision making process. If it was about 2 to 3 years ago I would say decisions are made by the top management and especially the board of directors. Currently we are witnessing a lot of change with* *some parties responding to the change and others working against the change. So therefore you can't really get a holistic decision making picture but what you can do is to approach each MD to get their views'.* Both comments confirmed to me that I had really become a managing director leading change in not only my organization but across other organizations in the group. In other words, I came to the realization that while action learning had only been practiced within my organization, its outcome had resonated organization wide bringing about a common mind-set change.

SIGNIFICANCE OF STUDY

This study is significant based on the fact that it discovers the factors influencing capital structure decision making. This research work contributes tremendously to the field of family business because I believe I am the first to study factors influencing capital structure decision making from the view point of business owners and their administrators. Several questions related to capital structure decision making in the family business field were answered in this work. Some of the questions are: how capital structure decisions are influenced? What are the factors that influence capital structure decisions between owners and administrators? What are the top priorities for parties making capital structure decisions? What are the conflicts that influence capital structure decision making? Do issues within the families that own the business affect capital structure decisions? The answers to these questions produced the research results such as a lack of trust from family business owners in their administrators, fear of losing or sharing company ownership (business owners), insistence by family business owners on maintaining total or almost total business controls (including capital structure decisions) etc.

SCOPE AND LIMITATION

This scope of this research work was limited to owners and administrators of family owned businesses who hierarchically were in the position to take capital structure decisions within their respective organizations. In addition, these research participants were selected from medium sized organizations because my organization is medium sized and as such, other organizations had to fit in with this criterion.

The selection of the medium sized organizations was restricted to Lagos, Nigeria due to limited resources, envisaged logistics and time constraints. All participating organizations were to be family owned and managed by a non-family member; composed of majorly family members on the board of directors; indigenous to Nigeria and must have been in operation for a minimum of 10 years.

I was aware of the risk of researcher bias and took note of this by ensuring that steps were put in place to check this. An example of these steps was to ensure that leading questions were not asked during research participant interviews. Hence, I employed researcher discipline and competence in conducting participant interviews (Robson, 2002).

CONCLUSION

In conclusion, the research question of this action research project was answered through the research categories described in the data analysis chapter. The answer to the research question, *'What are the factors that influence capital structure decisions between family business owners and their administrators in medium sized organizations?' are as follows:* Fear, Control, Trust, Generational succession, Expertise and experience, Mind-set, Agreement issues, Capital structure decision priorities and Conflicts. These research results were successfully gotten due to the practice of action learning within the learning sets in my organization. These learning set members through the precepts of action learning worked with me as co-researchers in designing this research work, producing research participant inclusion criteria, creating research interview questions, conducting pilot test interviews and interpreting research results. Also, this research work was entrenched in the action research cycle of pre-step, constructing, planning action, taking action and evaluating action, hence action research was extremely important in answering the research question.

Beyond the research result, I was able to resolve my workplace problem by championing a change of the capital structure decisions in my organization. In other words, through the action learning sets in my organization, I championed a change in our financing pattern from inadequate internal financing to external financing connoting the fact that I resolved my work based problem. Based on the practice of action research and how our workplace problem has been resolved, members of staff in the organization have become more devoted to the organization as they believe the company will now have adequate funds to cater for their welfare. The team led leadership style that emanated from the learning sets in my organization has also contributed immensely to better decision making based on the fact that, decisions now emanate from within organizational teams rather than authoritarian decision making. In addition to this, suppliers have started offering our organization extended credit lines while business patronage from mega distributors has also been on the rise.

In the discussion chapter, I documented my capital structure mind-set and how to resolve capital structure issues from a Nigerian perspective. In addition, I proposed a model based on how an action learning change agent (scholar practitioner) could bring about a change in the capital structure of his or her organization.

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APPENDIX .

APPENDIX A: INTERVIEW QUESTIONS

Questions for owner participants

1. What is the decision making process in your organization?
2. What are your top priorities when making capital structure decisions? Do you have to consult anyone before making capital structure decisions? If yes, what official roles do they play?
3. Please can you describe an important capital structure decision that was made in your organization? How was this decision made? Were employees involved in this decision process? What were their roles and how were they involved?
4. Please can you describe a particular day to day small capital structure decision? What was this decision? How was the decision made? Were employees involved in this decision process? What were their roles and how were they involved?
5. Do you in any way influence capital structure decisions made by your organization's administrator? If yes, why?
6. Why can't capital structure decisions be totally made by your organizations administrator? What are the factors contributing to this reason? What can be done to reverse this? What other factors generally affect capital structure decision making between your firms administrator and yourself?
7. Was there any point in time whereby capital structure decisions where wholly made by your organization's administrator? If yes, what change required your interference?
8. How are your company operations been funded?
9. Would you prefer to fund company operations through alternate means? If no, why?
10. If yes, why are company operations not been funded through this means?
11. Has there been conflict regarding capital structure decision making in your organization? How has this conflict impacted capital structure decision making?
12. Has there been any instance where you had to alter capital structure decisions due to family issues? Were this family members within or external to your organization? Please can you describe?
13. Please can you describe an instance whereby you were required to make a capital structure decision but you had limited information? How did you handle this situation? What was the outcome? What was your general perception of this situation?

14. Would you like to further comment on capital structure decision making in your organization? Do you have any other general comments in regards to capital structure decision making in your organization?

Questions for administrator participants

1. What is the decision making process in your organization?
2. What are your top priorities when making capital structure decisions? Do you have to consult anyone before making capital structure decisions? If yes, what official roles do they play?
3. Please can you describe an important capital structure decision that was made in your organization? How was this decision made? Were employees involved in this decision process? What were their roles and how were they involved?
4. Please can you describe a particular day to day small capital structure decision? What was this decision? How was the decision made? Were employees involved in this decision process? What were their roles and how were they involved?
5. Does the owner of your organization influence capital structure decisions? What in your opinion is the reason for this?
6. Would you prefer to make all capital structure decisions on your own? Why? What factors affect capital structure decision making between your firms owner and yourself?
7. Was there a point in time whereby capital structure decisions were made by you without interference from your organization's owner? If yes, what changed that required interference?
8. How are your company operations funded?
9. Would you rather your company operations were funded through alternate means? If no, why?
10. If yes, why are company operations not been funded through this means?
11. Has there been conflict regarding capital structure decision making in your organization? How has this conflict impacted capital structure decision making?
12. Has there been any instance where you had to alter capital structure decisions due to family issues? Were this family members within or external to your organization? Please can you describe?
13. Please can you describe an instance whereby you were required to make a capital structure decision but you had limited information? How did you handle this situation? What was the outcome? What was your general perception of this situation?

14. Would you like to further comment on capital structure decision making in your organization? Do you have any other general comments in regards to capital structure decision making in your organization?

APPENDIX B. RESEARCH CODES

	CODES
	1. Low interest rates 2. Loan repayment period 3. Return on investment 4. Collateral requirements 5. Owner/ family undisclosed priorities 6. Owner/family set beliefs/legacies 7. Funding partner policies 8. Organization team agency priorities 9. Salient funding charges 10. Bank/investment company policies 11. Non-interest banking/ Islamic loans 12. Funds management
	13. No knowledge/ imaginative ideas (some owners have no idea of how everyday decisions are made) 14. Laid down procedures (most day to day decisions had pre-planned procedures) 15. Delegated duties/ officers in charge take charge/management often take charge 16. Use of family funds, savings and business returns 17. Escalated to higher authority/ chairman director, family sole decisions/ authoritarian

	decision/ banks take charge 18. Control decisions by owner (without family or management)/ influences and impacts decisions 19. Team management (employees take capital structure decisions) 20. Change initiatives/ management transitions 21. Critical decisions handled by the board of directors/ chairman/ management deliberations, voting 22. MD's are only consulted (unaware of decision process based on owner controls) 23. Open forum decisions (team led) 24. In line with company policy
	25. Fear (of incorrect decisions, losing customers) 26. Control, strict policies 27. Lack of trust, misappropriation of funds, 28. Profitability 29. secrecy 30. Choice of funding source 31. Authoritarian decisions (from owner, directors family), heavy influence on business, family vision, owner ideals 32. Expertise, experience 33. Staff morale 34. Diverse views, strong views, seeking consents, diverse backgrounds (publicly owned organizations mind-sets Vs. family owned business mind-set) , preferences 35. Agreement issues, considerations for transparency 36. Generational succession,

	37. family ownership of funds
	38. family funding 39. terms of agreement 40. international funding 41. Banks, investment firms, etc. 42. time wasting (family funds deliberations) 43. preference between internal and external funding 44. sole funding partners/ research on funding 45. Considerations (but no actualizations) for other funding sources 46. Islamic banking 47. Fear of external funding
	48. Voting on issues, selection differences, preferences 49. Issues concerning project time and expense, 50. Fraud and misappropriation of funds 51. External lobbying (leading to team divisions) 52. Can’t recall, unaware 53. Resistance, veto power, imposing ideas, conflict of interests 54. No conflicts (based on single funding partners) 55. Negotiations, brainstorming, consultations, secrecy 56. Strike actions, disruptions in operations,
	57. Lack of information leads to business risk 58. Consultations from consultants, business analysts etc. 59. Incompetency (beliefs from administrators of been incompetent when they can’t provide information) 60. Information profitability

	61. Information secrecy (from certain banks) 62. Available technical know how