DETERMINANTS OF FINANCIAL RESILIENCE AMONG FAMILY-OWNED BUSINESSES DURING THE POST-SUBSIDY ERA IN NORTH WEST NIGERIA

[1]PAUL, Vincent, [2]OGUNJIMI, Shamselden Babatunde & [3]OKPEWHO, Micheal Obaro

[1]Department of Entrepreneurship Studies, Faculty of Administration, Nasarawa State University, Keffi
[2]Department of Accounting, Faculty of Administration, Nasarawa State University, Keffi
[3]Department of Entrepreneurship Studies, Faculty of Administration, Nasarawa State University, Keffi
[1]vincentpaul@nsuk.edu.ng, [2]Obos4u2004@yahoo.com, [3]mykokpewho@gmail.com
[1]08036182616 & [3]08035918306

Abstract

This study assessed financial resilience among family-owned businesses during the post-subsidy era in North West Nigeria. The research employed an explanatory design, utilising a structured questionnaire to collect data from 411 owner-managers of family businesses, selected through multistage sampling. The study adopted Partial Least Square Structural Equation Modelling (PLS-SEM) to analyse the data and test the hypotheses. The findings revealed that Innovation, Diversification and Cash Flow Practice exerted positive and statistically significant effect on financial resilience. However, the effect of financial structure was found not to be statistically significant. Based on the findings, the recommendations included maintaining a balanced financial structure for long-term stability, prioritizing innovative practices, actively pursuing diversification, and enhancing cash flow management.

Keywords: Determinant, Family business, Financial Resilience, North West, Post-Subsidy era.

Introduction

Resilience is crucial in ensuring that businesses survive turbulent operating environments (Garrido-Moreno et al., 2024). It reflects the strength and adaptability of these enterprises; the recent removal of fuel subsidy in Nigeria has undoubtedly birthed a turbulent operating landscape for many businesses in the country that has shifted a lot of attention towards the ability of businesses to cope with market dynamism. Yilmaz et al. (2024) underscores the importance of resilience in the context of family businesses given the prevalence and recognised significance of these firms. These business aim to maintain sustainable performance with intergenerational succession.

Family-owned businesses constitute a significant proportion of enterprises in Nigeria and play a vital role in employment creation, wealth generation, and community development (Onyeizugbe & Ezute, 2022). In many regions of the country, especially in the North West, such businesses not only serve as economic engines but also function as intergenerational legacies that sustain family livelihoods and social capital. However, as pointed out by Salas-Paramo and Escandón-Barbosa (2025), these business face persistent challenges that continuously test their survival and growth, such as macroeconomic shifts and policy reforms. One of the most critical recent developments is the removal of the fuel subsidy in Nigeria, a policy decision that has triggered wide-ranging consequences across all sectors of the economy.

The post-subsidy era has been characterised by rising production costs, fluctuating consumer demand, inflationary pressures, and heightened competition, creating a volatile environment for businesses of all sizes (Evans et al., 2023). For family-owned enterprises, whose operations often blend economic motives with socio-cultural considerations, resilience has become not only a desirable attribute but also a necessity for continuity. Resilience in this context, as captured by Grego et al. (2024), refers to the ability of firms to adapt, withstand shocks, and reconfigure resources in ways that sustain operations despite external pressures.

Although a growing body of literature has examined resilience in Small and Medium Enterprises (SMEs), there is limited empirical focus on family-owned businesses within the specific context of Nigeria's North West, particularly in the aftermath of subsidy removal. Existing studies such as Prince and Iwendi (2025), and Nwabuatu (2025) tend to concentrate on resilience in response to global crises such as the COVID-19 pandemic, financial downturns, or insecurity, leaving a gap in understanding how local policy-induced economic transitions affect indigenous business structures. Furthermore, family-owned businesses possess unique dynamics, such as kinship ties, succession practices, and informal governance mechanisms that distinguish them from other enterprises and may shape their resilience strategies in distinctive ways.

In seeking to address this gap, the study empirically investigated determining factors of resilience among family-owned businesses in North West with specific focus on the influence of family structure, market dynamics sensing, innovation, diversification and cashflow practice. Resilience points to the ability of a business to cope with disruptions and continue to operate and meet its objectives amidst adverse conditions (Barasa et al., 2018). By exploring how family businesses in the North West adapt to economic disruptions and leverage resources, the study provides evidence-based information about their capacity for sustainability and growth.

Statement of the Problem

Family-owned businesses in the North West, have historically played a crucial role in driving local economies, sustaining livelihoods, and fostering community development. However, the removal of the fuel subsidy in 2023 has fundamentally altered their operational environment. The immediate effects of subsidy removal; rising fuel prices, inflationary pressures, increased logistics and production costs, and reduced consumer purchasing power; have placed significant strain on the ability of family businesses in the region to operate profitably.

In response to external changes, family businesses are compelled to adopt internal responses in order to manage resources efficiently and ensure their survival and well-being; being resilient has been identified as a key determinant of business survival in turbulent environments (Garrido-Moreno et al., 2024; Iringe-koko & Onuoha, 2023). However, there is a dearth of literature on how family-owned businesses in the region are navigating this policy-induced economic transition. Most existing studies on resilience focus on global crises such as pandemics or financial recessions, with minimal attention to localised policy reforms and their implications for indigenous enterprises. The current study is important in determining the extent to which different strategic actions enhance the resilience of these enterprises in the aftermath of subsidy removal.

Research Hypotheses

The following hypotheses were formulated to guide the study.

Ho1: Financial structure does not have significant effect on post-subsidy financial resilience of family-owned businesses in North Central Nigeria.

Ho2: Innovation does not have significant effect on post-subsidy financial resilience of family-owned businesses in North Central Nigeria.

Ho3: Diversification does not have significant effect on post-subsidy financial resilience of family-owned businesses in North Central Nigeria.

Ho4: Cash flow practice does not have significant effect on post-subsidy financial resilience of family-owned businesses in North Central Nigeria.

Literature Review

Family Business

A family business is broadly characterised as a firm predominantly owned, managed, and controlled by a family, with a strong emphasis on intergenerational succession and continuity. Such organisations are shaped by generations of individuals connected by blood, marriage, or adoption (Machida, 2021). According to Frezatti et al., (2023), this type of business usually involves family members who are directly employed in the organisation and foster a dominant family culture that governs the firm’s behaviours and operations. This familial control not only shapes business operations but also embeds values and traditions that distinguish the enterprise from non-family firms. Machida emphasises generational depth in influencing the enterprise's values, strategies, and goals as a crucial distinguisher of family businesses. The formation of such business, as highlighted by Aragón-Amonarriz et al., (2019), revolves around ensuring long-term continuity and the preservation of legacy through generational transfer.

Financial Resilience of Family Business

Resilience generally entails the ability to withstand external shock. As defined by Zahedi et al. (2022), it represents effective response to disruptions and involves the deliberate channelling of resources towards adaptability and recovery. Klapper and Lusardi (2020) provide a more rounded definition in describing the concept as the capacity to anticipate, respond to, and adapt to financial shocks, guided by sound economic policies and strategic budget management. However, within the context of family businesses, Boers et al., (2024) explains resilience as reflected in specific resources that serve to as a buffer for the business during times of disruption. Firm-specific responses built upon their resources, capabilities, as well as intrinsic characteristics may enable firms to address changes and perform better (Pal et al., 2014).

Importantly, scholars such as Saad et al. (2021) distinguish between *passive resilience*, implying the mere ability to bounce back “without breaking”, and *active resilience,* referring to the conscious effort to build a stronger ability to cope with changes in the operating environment. Active resilience is, thus, not just about surviving, but about proactively changing to capture opportunities where others only see problems (Chu, 2015; Seville et al., 2015). Nevertheless, the study conceptualised resilience as multidimensional encompassing the components of family structure, market dynamics sensing, innovation, diversification and cash flow practice.

Financial Structure

The financial structure of family businesses can be understood through a multidimensional perspective that extends beyond the mere composition of debt and equity to encompass planning, risk management, decision-making horizons, and reliance on external expertise. A well-defined financial plan serves as the foundation, ensuring that resources are allocated efficiently and in alignment with both business goals and family priorities. Such planning reflects the family's desire to balance financial prudence with legacy preservation, often resulting in conservative capital structures and reliance on retained earnings (Romano et al., 2001; Michiels & Molly, 2017).

Innovation

Innovation generally entails generating and applying new ideas, methods, or technologies that create value. Within the context of management studies, innovation is increasingly seen as a strategic capability allowing firms to adapt to environmental pressures, sustain competitiveness, and pursue long-term growth (Teece, 2018). Innovation, extends beyond the technological domain to include organisational models, service design, and social practices, reflecting its multidimensional nature (Dodgson, 2024; Fagerberg, 2004).

Diversification

Diversification is a strategic approach through which firms expand their activities by entering new products, services, markets, or industries beyond their existing core operations. It is widely studied in strategic management and economics as a means of risk reduction, growth, and competitive advantage. Extant literature outlines two dominant growth paths: (1) entering new geographic markets with the existing product/service portfolio (international diversification), or (2) expanding the firm's product/service offering in existing markets (product diversification). Both types of diversification strategies offer promising long-term strategic perspectives for family businesses. Some family firms may turn into "hidden champions" that prosper as global market leaders in their specific niche market (Simon, 1996), while others develop into family business groups whose product/service offerings span across a wide range of unrelated industries (Gu et al., 2019).

Cash Flow Practice

Cash flow practices refer to the strategies and processes businesses adopt to monitor, control, and optimise the inflows and outflows of cash to maintain financial stability and operational efficiency. Effective cash flow management is considered a cornerstone of financial health, as it ensures that firms can meet short-term obligations, invest in growth opportunities, and safeguard against liquidity crises (Nasimiyu, 2024). Mismanagement can lead to the death of even a profitable business.

Effective cash management is essential for the financial health of any entity, as mismanagement can lead to the downfall of otherwise profitable businesses. Akinyomi (2014) emphasises the critical role of cash flow control and planning in determining an entity's success. The amount of cash held by a business depends on factors such as its size and operational needs. Hamza et al. (2015) highlighted that sound cash management strategies significantly impact financial performance, emphasising the need for financial decision-makers to integrate efficient cash management practices to enhance business sustainability in a dynamic and unpredictable environment.

Financial Structure and Business Resilience

In an empirical study conducted among SMEs in the manufacturing, service, and commercial sectors in Iran, Shojaee and Mirzaei (2024) analysed survey data using CB-SEM, consequently concluding that financial structure exerted positive influence on business resilience. The positive effect of financial structure on business resilience was also echoed by Jarchow et al. (2023) in their empirical evaluation of family firms in times of crisis, carried out in Germany. In their study, Generalised Method of Moments (GMM) regression was utilised in the analysis of data obtained from 798 companies across various sectors.

As also confirmed by Burcă et al. (2024), from an Ordinary Least Squares (OLS) analysis of survey data obtained from 275 European Union listed firms operating across various areas of specialisation, financial structure drove resilience among SMEs.

Innovation and Business Resilience

Homayoun et al. (2024) carried out an empirical research study on the effect of innovation on financial resilience of businesses operating in the Razavi Khorasan province of Iran. CB-SEM analysis of survey data collected from 728 auditors, accountants and managers indicated that innovation was positive and significant in determining resilience among businesses.

On the other hand, Matlub et al. (2022) conducted a study on organizational readiness for digital financial innovation and financial resilience" examined the relationship between various factors of financial innovation and resilience and found that the realization of DFI in organizations requires reconfiguration and flexibility of resources. Information technology, strategy, cooperations and organizational culture.

In a related study conducted in Malang City, Indonesia, Suryani and Dwiputra (2025) were concerned with measuring factors determining resilience among SMEs. A purposive sample of 100 owner-managers provided the needed survey data for the study, which was subsequently analysed using PLS-SEM. Findings confirmed innovation to be a positive and statistically significant predictor of resilience.

Diversification and Business Resilience

Abuzaid (2024) applied Partial Least Squares Structural Equation Modelling (PLS-SEM) to survey data collected from 291 employees across three telecommunication firms in Jordan. Estimated path coefficients indicated that the effect of diversification on resilience among businesses was positive and statistically significant.

In an empirical study focused on the agrifood supply chain, Stevens and Teal (2023) measured diversification adoption, and its effect on resilience among the firms. The result of an ordinal logistic regression employed indicated that vertical diversification was positive and significant in influencing firm resilience. The same finding was confirmed by Saliba et al. (2025), in their study carried out among SMEs in Lebanon.

Cash Flow Practice and Business Resilience

In a similar study covering publicly traded commercial banks in the United States, Berger et al. (2012) also found a positive and significant effect of cash flow practices on organisational resilience; specifically, greater liquidity buffers were found to bring about higher resilience.

Additionally, Lavanya and Narender (2024) applied descriptive techniques, including the use of tables and graphs to secondary data, from 31st March 2023 to 31st March 2022, obtained from KSM Poly Plastic Pvt Ltd, a case study in Hyderabad, India. The study found cash flow as having positive effect on resilience among the businesses. A similar conclusion was also put forward by Sekhar et al. (2025) in their study on SMEs operating in selected emerging economies.

Materials and Methods

An explanatory design was adopted by the study as informed by its overarching aim of assessing the resilience effect of selected determining factors. The study covered a total population of all owners or managers of family businesses in North West Nigeria. Lack of comprehensive data on this large group of individuals, however, informed the use of a sample given its infinite nature. Accordingly, a sample size was determined for the study, given limitations of a using census, where *n*, necessary sample size, was determined as

$$Z^2 p \times \frac{(1-p)}{d^2} \qquad (1)$$

Given a z-score, *Z*, of 1.96, desired proportion, *p,* and margin of error, *d*, of 0.05, as determined by a 5% alpha level, *n* was determined as follows.

$$\begin{aligned} n &= 1.96^2 (0.5) \frac{(1-0.5)}{0.05^2} \\ &= 3.8416(0.5)\frac{(0.5)}{0.0025} \\ &= 1.9208(200) \\ &\approx 385 \end{aligned}$$

The determined minimum required sample size was, however, increased by 10% to 424 to address non-response. Subsequently, multistage sampling, including the combination of cluster and random sampling, was used in selecting study respondents. Data used was collected therefrom, via a structured questionnaire, with an adapted measurement scales for constructs based on the 5-point Likert format.

Face and content validity, as well as Cronbach's Alpha for internal consistency, were employed to ensure the adequacy of the research instrument, with these tests carried out alongside a pilot study involving 45 respondents across selected locations in the North Central region.

Results and Discussion

From the cross-sectional survey conducted, 411 sets of responses were determined to be valid and retained for further analysis. These, therefore, formed the final sample of the study. Table 1 summarises respondents' demography and business-related data. Majority of the respondents (40.6%) were found to be within the 41-50 bracket, followed by those aged 51 and above (31.6%). Overall, the data reflects a diverse age range among the participants, with a significant portion of respondents being middle-aged or older.

In terms of years spent in the business, majority of respondents indicated to have had significant experience in running their businesses, with many having spent over two decades in their respective enterprises. Obtained field data also revealed that majority of the businesses (76.9%), were involved in trading activities. A smaller proportion, 14.4%, were engaged in other types of operations, while only 8.8% are involved in manufacturing.

Table 1: Respondents' Demographic and Business-Related Information

Response	Frequency	Percentage
Age of Respondents		
20-30	26	6.3
31-40	88	21.4
41-50	167	40.6
51 and above	130	31.6
Number of Years in Business		
0-4	29	7.1
5-10	124	30.2
11-15	59	14.4
16-20	36	8.8
21 and above	163	39.7
Nature of Business Operation		
Manufacturing	36	8.8
Trading	316	76.9
Others	59	14.4

Note. Field Survey, 2025.

Table 2 summarises responses regarding the Financial Structure measurement scale. Overall, the results reflect a strong positive perception of financial planning and risk understanding among the respondents, with varying levels of agreement on cash flow management and external financial advice.

Table 2: Financial Structure

	SD	D	U	A	SA
Family business has well-defined financial plan in place	2 (0.5%)	2 (0.5%)	26 (6.3%)	237 (57.7%)	144 (35.0%)
Family business effectively manages its cash flow	2 (0.5%)	2 (0.5%)	2 (0.5%)	237 (57.7%)	168 (40.9%)
Financial decisions in family business made with a long-term perspective	1 (0.2%)	26 6.3%)	2 (0.5%)	151 (36.7%)	231 (56.2%)
Clear understanding of financial risks associated with business	2 (0.5%)	54 (13.1%)	2 (0.5%)	168 (40.9%)	185 (45.0%)
Family business actively seeks and uses financial advice from external experts	2 (0.5%)	84 (20.4%)	36 (8.8%)	94 (22.9%)	195 (47.4%)

Note. Field Survey, 2025.

The majority also agree that the business encourages a culture of innovation and promotes an environment where new ideas are welcomed. However, a smaller proportion of respondents feel that the business invests in research and development to stay ahead of industry trends, with 54.5% agreeing on this aspect.

Table 3: Response Distribution for Innovation

	SD	D	U	A	SA
The family business encourages and supports a culture of innovation	4 1.0%	3 0.7%	97 23.6%	149 36.3%	158 38.4%
We invest in research and development to stay ahead of industry trends	3 0.7%	53 12.9%	62 15.1%	224 54.5%	69 16.8%
The family business regularly updates its systems and processes to leverage	1	56	2	283	69

new technologies	0.2%	13.6%	0.5%	68.9%	16.8%
The family business promotes an environment where new ideas are welcomed and explored	2 0.5%	3 0.7%	2 0.5%	280 68.1%	124 30.2%
We invest in developing the innovative capabilities of family members and employees	2 0.5%	2 0.5%	2 0.5%	301 73.2%	104 25.3%

Note. Field Survey, 2025.

Presented responses in Table 4 show a strong inclination among family members towards diversification in their business strategies. Gathered survey data indicated a strong perception of diversification as a critical strategy for financial resilience and risk management in family-owned businesses in the study area.

Table 4: Response Distribution for Diversification

	SD	D	U	A	SA
Family members actively seek advice on diversifying the family's financial investments	2 0.5%	2 0.5%	26 6.3%	248 60.3%	133 32.4%
Family business offers a diverse range of products or services	2 0.5%	29 7.1%	62 15.1%	201 48.9%	117 28.5%
Family members recognise benefits of diversification in managing business risks	2 0.5%	1 0.2%	51 12.4%	321 78.1%	36 8.8%
Family members discuss and evaluate the potential benefits of expanding into new locations	2 0.5%	2 0.5%	23 5.6%	221 53.8%	163 39.7%
Diversification is viewed as a way to spread risk and enhance overall financial resilience	2 0.5%	2 0.5%	26 6.3%	280 68.1%	101 24.6%

Note. Field Survey, 2025.

The distribution of responses for cash flow practices is presented in Table 5. Obtained responses showed that family-owned businesses generally had effective cash flow practices in place.

Table 5: *Cash Flow Practice*

	SD	D	U	A	SA
Our family business has a well-defined plan for managing cash flow	2 0.5%	2 0.5%	36 8.8%	242 58.9%	129 31.4%
Receivables are actively managed to minimize delays in cash collection	2 0.5%	2 0.5%	26 6.3%	282 68.6%	99 24.1%
Family members are involved in setting and reviewing expense budgets	3 0.7%	54 13.1%	36 8.8%	220 53.5%	98 23.8%
The family business has clear credit policies for customers	2 0.5%	2 0.5%	1 0.2%	243 59.1%	163 39.7%
The family regularly assesses the sufficiency of our emergency fund for potential challenges	3 0.7%	55 13.4%	52 12.7%	208 50.6%	93 22.6%

Note. Field Survey, 2025.

Responses presented in Table 6 reflect respondents' views and opinions regarding the financial resilience of family businesses. Obtained responses generally suggested high levels of financial resilience practices among family businesses, with some areas of uncertainty.

Table 6: Resilience

	SD	D	U	A	SA
The family business has strategies in place to navigate economic downturns	3 0.7%	55 13.4%	51 12.4%	136 33.1%	166 40.4%
We have sufficient financial reserves to withstand unexpected financial shocks	3 0.7%	55 13.4%	156 38.0%	65 15.8%	132 32.1%
The family business adapts its financial strategies in response to changing market conditions	4 1.0%	55 13.4%	68 16.5%	192 46.7%	92 22.4%
Our business has a contingency plan for unforeseen financial challenges	5 1.2%	54 13.1%	49 11.9%	140 34.1%	163 39.7%
The family business regularly conducts stress tests on its financial position	4 1.0%	91 22.1%	85 20.7%	134 32.6%	97 23.6%

Note. Field Survey, 2025.

Analysis of obtained data was carried out using PLS-SEM for the purpose of testing the hypotheses formulated towards meeting study objectives. This was achieved through the use of the SmartPLS statistical software (version 3).

To test indicator reliability, values of loadings were evaluated. Indicators with loadings below 0.708 were deleted from the measurement model (see Table 7). Satisfactory loadings were recorded for all retained indicators, indicating that they were reliable measures of their underlying latent constructs.

Table 7a: Factor Loadings

Indicator	Loading
Financial Resilience	
ADP1	0.883
ADP2	0.864
ADP3	0.737
ADP4	0.897
ADP5	0.778

Note. SmartPLS Output.

Table 7b: Factor Loadings

Indicator	Loading
Cash Flow Practice	
CFP3	0.897
CFP5	0.915
Diversification	
DIV1	0.851
DIV4	0.915
Financial Structure	
FST2	0.734
FST4	0.897
FST5	0.890
Innovation	
INN2	0.935
INN3	0.939

Note. SmartPLS Output.

Table 8 contains internal consistency reliability and convergent validity for model constructs. Estimated reliability values generally ranged from 0.712 to 0.935. This confirmed that respective indicators were consistently measuring their underlying construct.

Table 8: Internal Consistency Reliability and Convergent Validity Statistics

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Cash Flow Practice	0.782	0.786	0.901	0.820
Diversification	0.723	0.757	0.877	0.781
Financial Resilience	0.889	0.896	0.919	0.696
Financial Structure	0.794	0.814	0.880	0.712
Innovation	0.861	0.862	0.935	0.878

Note. SmartPLS Output.

Average Variance Extracted (AVE) values were, also, above the recommended threshold of 0.5, indicating that high convergent validity among model constructs.

In measuring the level of divergent validity, Heterotrait-Monotrait (HTMT) ratio values were utlised. Values of less than 0.85, estimated in all cases, confirmed divergent validity for all constructs.

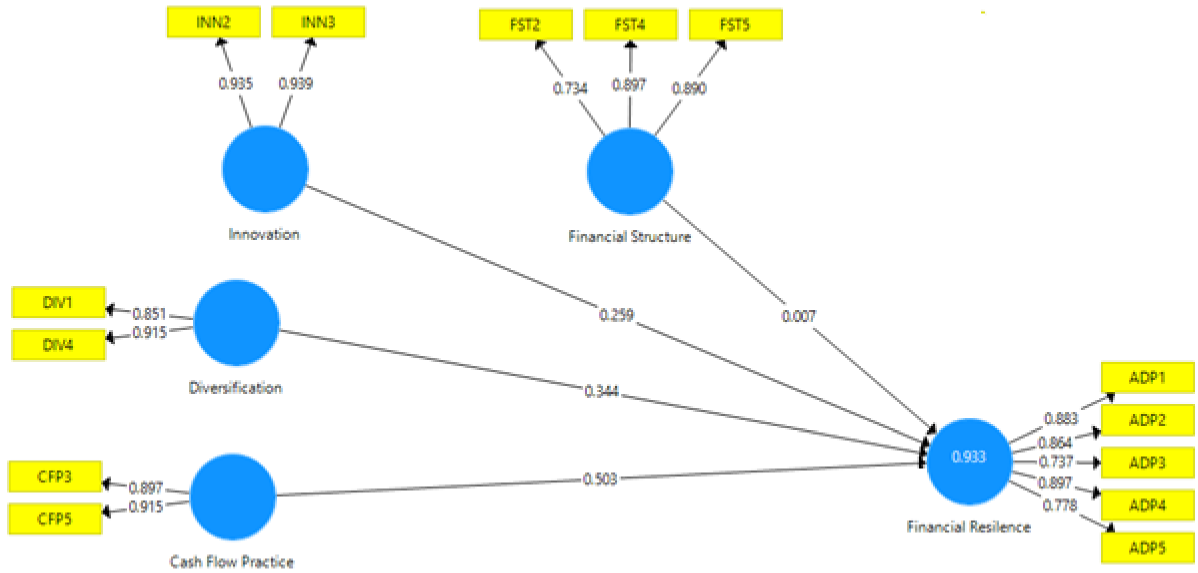
Table 9: *Heterotrait-Monotrait (HTMT) Ratio*

	CFP	DIV	ADP	FST
Diversification	0.451			
Financial Resilience	0.040	0.793		
Financial Structure	0.612	0.205	0.781	
Innovation	0.866	0.428	0.508	0.388

Note. SmartPLS Output.

The estimated path model for the study, presented in Figure 1, was achieved via a boostrapping process involving 5,000 subsamples.

Figure 1, Estimated Path Model of the Study



Note. SmartPLS Output.

Variance Inflation Factor (VIF) values were computed for structural model constructs to ensure that they were free from multicollinearity. As shown in Table 10, all VIF values were computed to be below 5, indicating that multicollinearity was not a significant concern in the model.

Table 10: Variance Inflation Factor (VIF) for Inner Model

	Financial Resilience
Diversification	1.473
Financial Resilience	1.319
Financial Structure	2.562
Innovation	2.143

Note. SmartPLS Output.

Estimated in-sample predictive statistics showed a Coefficient of Determination (R^2) value of 0.933, with an adjusted value of 0.932, indicating that about 93% of variance in Financial Resilience was explained by the exogenous constructs.

Table 11: In-Sample Predictive Statistics

	R Square	R Square Adjusted
Financial Resilience	0.933	0.932

Note. SmartPLS Output.

Estimated path coefficients are contained in Table 12 with their associated significance statistics. All path relationships, with the exception of Financial Structure -> Financial Resilience, were found to be positively signed, and statistically significant at the 5% alpha level.

Table 12: Estimated Path Coefficients

	B	Mean	Std. Dev.	t	P Value	HO Decision
Financial Structure -> Financial Resilience	0.007	0.005	0.028	0.239	0.811	**Accepted**
Innovation -> Financial Resilience	0.259	0.257	0.029	8.767	0.000	**Not Accepted**
Diversification -> Financial Resilience	0.344	0.343	0.018	19.442	0.000	**Not Accepted**
Cash Flow Practice -> Financial Resilience	0.503	0.503	0.027	18.792	0.000	**Not Accepted**

Note. SmartPLS Output.

Accordingly, the null hypothesis was not accepted in all cases, with the exception of the effect of financial structure on financial resilience.

Conclusion and Recommendations

Conclusion

The study confirmed, through empirical evidence, that financial resilience among family-owned businesses in the post-subsidy era was driven by their cash flow practices, diversification strategies, and innovative capabilities. However, the study also showed that the financial structure of these businesses may not be as critical in determining their ability to withstand financial shocks in the post-subsidy environment.

The research study to the understanding of financial resilience in family-owned businesses and provides valuable insights for policymakers, business owners, and financial advisors in developing strategies to enhance the sustainability of these enterprises in challenging economic conditions. The positive effects of significant factors underscore their crucial role in enabling businesses to adapt to and survive in a changing economic landscape. These emphasise the importance of prioritising innovative practices, including investing in new technologies, developing new products or services, or implementing innovative business processes. The participation of government agencies and business support organisations is also crucial in providing resources and training to facilitate innovation in these businesses.
Additionally, active pursuance of diversification strategies such as expanding into new markets, developing new product lines, or exploring alternative revenue streams can also boost financial agility among these businesses.

Furthermore, to leverage the strong estimated effect of cash flow practices on financial resilience, family-owned businesses in the North West should consciously invest in effective cash flow management through robust budgeting systems, optimising accounts receivable and payable processes, and maintaining adequate cash reserves. Business owners managers can also avail themselves to literacy programs focusing on cash flow management can be developed and made accessible to business owners.

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