

Centralization of Decision-Making Influences and Customer Service of Family-Owned Businesses in the South-East, Nigeria

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ABSTRACT

This study examined centralization of decision-making influences and customer services of family-owned businesses in South-East, Nigeria. Descriptive survey method based on primary and secondary sources of data collection was adopted. Data was obtained from primary and secondary sources. Primary data was gathered through questionnaire while the secondary data was gathered from a review of several research publications, annual reports, articles, textbooks, unpublished thesis, journals and internet sources related family businesses. The study population consisted of 43,868 family-owned businesses. The sample size is 554 determined using Cochran (1963) statistical formula. Analyses were carried out using simple descriptive statistics organized and presented in tables, frequency and simple percentages. At the inferential level of statistical analyses, the hypothesis was subjected to double-test using Pearson Product Moment Correlation Coefficient and Simple Linear Regression. To establish whether an outcome is statistically significant, the researcher set up a 5% significance level while a 95% confidence level was applied and tested at 5% ($p\text{-value} \leq 0.05$) alpha level. All analyses were carried out in SPSS 20.0. The study found that centralization of decision-making has a mean score of 3.154 with a standard deviation of 1.0825 while customer service has a mean score of 2.765 and a standard deviation of 1.5092. The regression sum of squares is 932.002 greater than the residual sum of squares 279.683 as well as the coefficient of 0.877 and $t = -11.256$. This indicates a negative relationship. Hence, the study concludes based on the results above that centralization of decision-making negatively and significantly affects customer service in family-owned businesses in the South-East, Nigeria. The study recommends a decentralized customer service which would be proactive with customers' needs.

Keywords: Centralization, Decision, Decision-Making and Family-Owned Businesses

INTRODUCTION

Decision-making generally is an important role played by business managers. It is a conscious effort by decision-makers to conceive, subject choices to scrutiny, select and implement a best alternative course of action based on its value, time and context to solve an existing problem. Decision-making is also the making of a choice among competing alternatives and the implementation of the chosen alternative; all decisions have a time horizon or scope. It involves a cognitive process that rationally leads to the selection of a course of action among several available alternatives. Rational decision-making means 'making consistent, value-maximizing choices within a specified organisational constraint (Dumler & Skinner, 2007; Al Shra'ah, 2015). Also, it is a process of making a choice from a number of alternatives to achieve the desired result (Eisenfuhr, 2011; Al Shra'ah, 2015). Al-Tarawneh (2012) states that decision-making is the process of identifying and selecting from among possible solutions to a problem according to the demands of the

situation. Hence, the quality of decisions taken determines whether the organization will succeed in its objectives or not. The main thrust of this study is to examine centralization of decision-making on customer service in family-owned businesses in the South-East. Nigeria. To achieve the research objective, one question was formulated for the study: To what extent does centralization of decision-making affect customer service in family-owned businesses? In the same vein, one hypothesis was formulated in line with the objective of the study and the research question. Hence, centralization of decision-making significantly affects customer service in family-owned businesses.

LITERATURE REVIEW

The Role of a Family Business Leaders in Decision Making:

Ejimabo (2015) states that everyday leaders make decisions and as such, decision making is the key role they play and people always associate leadership in business and politics with making decisions which emphasise on being the head of a group. The study believes that leaders must be effective in their organisational decision making by pulling rather than pushing; by inspiring their subordinates rather than ordering them; by enabling people to use their own initiative and experiences rather than by denying their efforts or constraining their experiences and actions in the organisation. The author further states that it is of vital importance to know that functional leadership is not usually defined by a specific set of behaviours but instead by generic responses that are prescribed for and will vary by a different problem, issues, challenges, circumstances, and different situations. In their views, Hackman and Walton (1986) maintained that: the emphasis switches from “what leaders “should do” to “what needs to be done for effective performance”. Every organisation is a systemic whole and network that is dynamic, challenging, complex in nature, and established for the purpose of serving the common good, and goal accomplishments. While no leader exists and operates outside the organisation, all organisations need leaders to exist and survive in all its operations. Kotter (1990) believes that leaders must know how to lead as well as manage. Otherwise, without leading as well as managing effectively, today’s organisations face the threat of extinction. In the view of Glanz (2002), the crux of good leadership is the ability to make thoughtful, reasoned decisions. In order to be the best judge, a leader should have critical thinking skills (Ejimabo, 2015). They must respond quickly to situations. They must also reflect and be able to point out areas that need improvement. Good judgment in the context of educational leadership requires that the leader has a firm grounding in the educational enterprise, combined with a keen sense of awareness of the complex factors that impinge on school practice (Ejimabo, 2015).

The way leaders behave and what they choose to do will be judged ultimately by the purpose or motivation of those actions and the values that guide their leadership decisions and behaviours. Leana (1985) has found that leader behaviour strongly influences the number of alternative solutions proposed and discussed by groups and the actual final decisions made by them. Due to the complexities associated with many organizations, leaders and managers should through sound decision making be able to influence the growth and development of their businesses by bringing in new strategic techniques, technologies, training and development of employees, updating of policies, as well as keeping to the moral standards while maintaining the mission and vision of the organization.

Every business and institutional leader should be held to common standards, with rules and procedures that are clear, firm, fair, and consistent while treating all involved in their company with dignity, prudent, and respect irrespective of their differences. In making good decisions and working effectively well with workers in the organisations, it is necessary that leaders should be deemed as a strategic aim of the organisation (Feigenbaum, 1991; Ejimabo, 2015). However, leaders must have self-confidence, plan ahead, listen, seek correct information, be analytical, and where necessary get their subordinates involved in the

decision-making process while avoiding not to act in a hurry. There must be a set of steps to incorporate the above elements into a sound decision-making process. These elements allow business leaders the ability to translate intentions into reality by aligning the energies to the organisation behind an attractive goal. As a leader, you are expected to make decisions that are in the best interest of the whole organisation. In affirmation and support of the above statement, Jacobs and Jaques (1991) stated that executive leaders “add value” to their organisations in large part by giving a sense of understanding and purpose to the overall activities of the organisation. In excellent organisations, there almost always is a feeling that the “boss” knows what he is doing, that he has shared this information downward, that it makes sense, and that it is going to work (Ejimabo, 2015).

THEORETICAL FRAMEWORK

This study adopts the steward theory for a number of reasons. For example, the theory aspires to the maximisation of potential performance (Corbetta&Salvato,2004; Tuuli, 2014). Also, a steward identifies with their organisation. Reaching for success for it, the steward can act altruistically to achieve the organisation’s goals. Altruism is also a key component of the stewardship perspective of a family firm (Zahra, 2003; Eddleston & Kellermanns, 2007; Tuuli, 2014). Miller and Le Breton-Miller (2006) state that the altruistic attitudes will be especially prevalent within family businesses in which leaders are often either family members or emotionally linked to the family. As a consequence, some stewardship effects arise, such as lengthy job tenures, avoidance of the quick fix, far-sighted investment, commitment to the organisation, on-the-job learning, and core capability development. When the family feels concern for the future of the business, it will invest in its capabilities. Family attitudes toward stewardship promote the creation of a flat, non-bureaucratic form of organisation.

Empirical Review:

A study carried out by Nor explored the differences in decision-making process between family business and non-family business in the construction industry in Malaysia. The study used the case study approach where between four to eight construction firms will be selected based on annual sales turnover, innovativeness towards products or process and trans-generational entrepreneurship. Primary and secondary sources of data collection such as structured interview questionnaire, observation and examination of documents were used. The study found that fast decision making is not only seen as necessary but crucial to ensure speed and efficiency in responding to market opportunities and manoeuvring through market uncertainties and tumultuous environment, with the intention to diversify their businesses by finding opportunities towards new venture creation. This study recommends simplified decision making and finds tactics in order to have quality decision making (<http://proceedings.utwente.nl/59/1/MohdNor.pdf>).

Similarly, Bashir (2015) carried out an exploratory study and examined the impact of decentralized decision making on firm’s performance using Honey Well, Google, Toyota and different sectors of Pakistan from 1997 to 2011. The objective was to test the relationship between decentralization and organization performance. The study found that the ultimate performance of the firms increases with the decentralization. Hence, as the communication and cooperation of the top level management with middle and lower level management increases, the organization performance also increases. The study concludes that the cooperation of top-level management with lower level management is much more important.

Another group of researchers, Wong,Ormiston and Tetlock (2011) examined the influence of top management teams’ (TMTs’) integrative complexity and decentralization of decision making on corporate social performance. The sample consisted of the TMTs of 61 publicly traded or organizations. To assess integrative complexity and decentralization of decision making, we employed a Q-sort methodology. The study found that both integrative complexity and decentralization are positively related to firm corporate

social performance. Also, Andrews, the Boyne, Law & Walker (2009) examined centralization, organizational strategy and public service performance in UK local government specifically local authorities in Wales. The study explored the separate and joint effects of centralization and organizational strategy on public service performance. The statistical analysis of the relationship between centralization, strategy and performance was conducted on 53 cases, comprising eight education departments, nine social services departments, seven housing departments, seven highways departments, ten public protection departments and twelve benefits and revenues departments. These departments are representative of the diverse operating environments faced by Welsh local authorities, including urban, rural, socioeconomically deprived, and predominantly Welsh or English speaking areas. The study found that centralization has no independent effect on service performance and concludes that variations in public service performance are unrelated to the hierarchy of authority and the effect of structure on performance is mediated by organizational strategy.

METHODOLOGY

The design adopted for this study is a descriptive survey method based on primary and secondary sources of data collection. The data for this study was obtained from primary sources otherwise known as field survey and secondary sources otherwise called desk survey. Primary data was gathered through a structured questionnaire. The objective was to gather related, rich, detailed and specific information used in the analyses and to confirm, corroborate, dispute, reject or establish new facts or truth. The secondary data was gathered from a review of several research publications, annual reports, articles, textbooks, unpublished thesis, journals and internet sources related to organization structure and family businesses. The study population consist of registered and unregistered family-owned businesses in Abia, Anambra, Ebonyi, Enugu and the Imo States. A pilot study conducted by the researcher indicates there are about 43,868 family-owned businesses in the South-East. Cochran (1963) statistical formula was used to determine the sample size that gives 554. To ensure that the sample size determined above truly represent each State, a stratified random sampling technique was adopted using Bowley's proportional allocation statistical technique. The survey instrument was developed on the basis of information required to examine the research objectives of the study and composed of structured questionnaire divided into two parts namely Part A and Part B. Part A provides general information about the respondents while Part B focuses on the research questions broken into item questions to elicit responses from the respondents about their businesses. Likert scale grading format was used in designing the questionnaire. To ascertain the validity of the research instrument, the researcher subjected the instrument to face, construct, contents and response validations. To test the reliability of the research instrument, a pilot study was carried out to ensure that the items in the questionnaire were stated in clear terms without ambiguity with the same meaning to all the respondents. In order to measure internal consistency, Spearman's Rank Correlation Coefficient (r) was used to test the reliability of responses by the 25 respondents. The result shows that the Cronbach's Alpha of $0.84 > 0.70$ was achieved. This implies that the reliability of the test instrument was very high and reliable too. The study analyses made using simple descriptive statistics organized and presented in tables, frequency and simple percentages to calculate, analyse, show and summarize the responses of the respondents and the research question in a meaningful way. At the inferential level of statistical analyses, the hypothesis was subjected to double-test using Pearson Product Moment Correlation Coefficient and Simple Linear Regression to determine their statistical significance or otherwise. To establish whether an outcome is statistically significant, the researcher set up a 5% significance level. This implies that the researcher accepted a statistical significance occurring 5 times out of 100 (5/100) by chance. Thus, a 95% confidence level was applied and tested at 5% ($p\text{-value} \leq 0.05$) alpha level. The maximum acceptable risk of making type I error (rejecting the null hypotheses (H_0) when it should have been accepted) is 5%. Hence, the decision rule adopted in this study is to reject the null hypotheses where the calculated p -value at 5% significance level with the respective degrees of freedom is greater than the critical or table value, otherwise, the null hypotheses should be accepted. However, using the probability value (p -value) produced from the SPSS software, the decision rule was to reject the null hypotheses if the probability value was less

than the chosen 5% alpha level otherwise, accepted.

Data Presentation

Table 1: Administration and Return of Questionnaire

Valid	Returned (R)	536	96.8	96.8	96.8
	Not Returned (NR)	18	3.2	3.2	100.0
	Total	554	100.0	100.0	

Source: Data Analyses in IBM SPSS Statistics 20.0 Version.

The table 1 above shows that a total of five hundred and fifty-four (554) questionnaire was printed and administered to the respondents by the researcher. The breakdown shows that five hundred and thirty-six (536) representing a response rate of 96.8% were returned while eighteen (18) questionnaire representing a non-response rate of 3.2% were not returned.

Table 2: Abia State Questionnaire Administration and Return

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Returned (R)	137	95.1	95.1	95.1
	Not Returned (NR)	6	4.2	4.2	99.3
	Not Properly Filled	1	.7	.7	100.0
	Total	144	100.0	100.0	

Source: IBM SPSS Statistics 20.0 Version.

The table 4.1.2 above shows a total of one hundred and forty-four (144) questionnaire distributed to respondents in Abia State, South-East, Nigeria. The table also shows the breakdown of a questionnaire distributed and collected. A look at the table shows that one hundred and thirty-eight (138) questionnaire were returned out of one hundred and forty-four (144) distributed. This represents a 96.7% response rate. It further shows that one hundred and thirty-seven (137) were adjudged good for analyses representing 95.1%, one questionnaire was not properly filled representing 0.7% while six (6) questionnaire was not returned representing 4.2%.

Table 4.1.3: Anambra State Questionnaire Administration and Return

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Returned (R)	126	96.9	96.9	96.9
	Not Returned (NR)	3	2.3	2.3	99.2
	Not Properly Filled	1	.8	.8	100.0
	Total	130	100.0	100.0	

Source: IBM SPSS Statistics 20.0 Version.

The table 4.1.3 above shows that a total of one hundred and thirty (130) questionnaire were distributed to respondents in Anambra State, South-East, Nigeria. It shows the breakdown of a questionnaire distributed and collected. A look at the table shows that one hundred and twenty-seven (127) questionnaire were

returned out of one hundred and thirty (130) distributed. This represents a 98.6% response rate. A further breakdown shows that one hundred and twenty-six (126) were adjudged good for analyses representing 96.9%, one questionnaire was not properly filled representing 0.8% while two (2) questionnaire was not returned representing 2.3%.

Table 3: Ebonyi State Questionnaire Administration and Return

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Returned (R)	93	98.9	98.9	98.9
	Not Returned (NR)	1	1.1	1.1	100.0
	Total	94	100.0	100.0	

Source: IBM SPSS Statistics 20.0 Version

The table 4.1.4 above shows that a total of ninety-four (94) questionnaire were distributed to respondents in Ebonyi State, South-East, Nigeria. A look at the table above shows the breakdown of the questionnaire distributed and collected in Ebonyi State. The table shows that all the ninety-four (94) questionnaire distributed were returned. This represents 100.0% response rate. A further breakdown shows that ninety-three (93) was adjudged good for analyses representing 98.9% and one questionnaire was not properly filled representing 1.1%.

Table 4: Distributed Questionnaire to respondents in Enugu State

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Returned (R)	83	97.6	97.6	97.6
	Not Returned (NR)	1	1.2	1.2	98.8
	Not Properly Filled	1	1.2	1.2	100.0
	Total	85	100.0	100.0	

Source: IBM SPSS Statistics 20.0 Version.

The table 4.1.5 above shows that a total of eighty-five (85) questionnaire were distributed to respondents in Enugu State, South-East, Nigeria. The table equally shows the breakdown of a questionnaire distributed and collected in Enugu State. It shows that eighty-four (84) out of eighty-five (85) questionnaire distributed were returned. This represents a 99.0% response rate. A further breakdown shows that eighty-three (83) were adjudged good for analyses representing 97.6%, one questionnaire was not properly filled representing 1.2% and one questionnaire was not properly filled representing 1.2% respectively.

Table 5: Imo State Questionnaire Administration and Return

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Returned (R)	97	96.0	96.0	96.0
	Not Returned (NR)	2	2.0	2.0	98.0
	Not Properly Filled	2	2.0	2.0	100.0
	Total	101	100.0	100.0	

Source: IBM SPSS Statistics 20.0 Version.

The table 4.1.6 above shows that a total of one hundred and one (101) questionnaire were distributed to

respondents in Imo State, South-East, Nigeria. A look at the table above shows the breakdown of a questionnaire distributed and collected in Imo State. The table shows that the ninety-nine (99) questionnaire distributed were returned. This represents a 98.0% response rate. A further breakdown shows that ninety-seven (97) was adjudged good for analyses representing 96.0% and two questionnaires were not properly filled representing 2.0% while another two were not returned representing 2.0% respectively.

Analyses of Research Objective

How does centralization of decision-making affect customer service in family-owned businesses?

Coded responses on: To what extent does centralization of decision-making affects customer service in family-owned businesses?

	N	Mean	Std. Deviation
Centralization of decision-making of customer service does not allow for prompt resolutions of service problems	533	4.053	1.0990
Decision-making on customers of family-owned businesses include products, sales, post-sales services, customer database management, inquiries and complaints on products and services	533	3.946	1.0364
Customers complaints are best handled when they talk to a representative who works in the business that allows them to express themselves in their language or the one they understand and action taken immediately	533	3.867	1.0455
Centralized decision-making ensures uniformity of products and services as well as the right solution for each particular customer to be met	533	2.174	1.1444
Customer service in family-owned is characterized by poor, unreliable, slow and defective services that hinder business performance	533	2.726	1.5499
Valid N (listwise)	533		

Source: IBM SPSS Statistics 20.0 Version.

The table 4.2.1 above shows the mean score of each item question in the research question three. A calculation of the all the mean shows a grand total of 16.766 in all. A further breakdown shows a grand mean score of 3.3532. Thus, given that the acceptance point is 3.0, the grand mean value of 3.4 as calculated from the descriptive table above indicates that the extent to which decision-making is centralized affects customer service in family-owned businesses.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	18	3.4	3.4	3.4
	Disagree	66	12.4	12.4	15.8
	Undecided	2	.4	.4	16.1
	Agree	231	43.3	43.3	59.5
	Strongly Agree	216	40.5	40.5	100.0
	Total	533	100.0	100.0	

Source: IBM SPSS Statistics 20.0 Version

The table 4.2.2 above present results of responses of item question one in research question three that seeks to examine the extent to which centralization of decision-making affects customer service in family-owned businesses. The result of the analyses based on the responses of the respondents shows a response frequency of five hundred and thirty-three (533). The observed response rate of strongly disagree is eighteen (18) representing 3.4%, sixty-six (66) respondents of disagreeing represent 12.4% and two (2) of undecided representing 0.4%. However, two hundred and thirty-one (231) respondents agree to represent 43.3% and two hundred and sixteen (216) respondents strongly agree to represent 40.5%. This implies that 15.8% of the respondents disagree/strongly disagree that centralization of decision-making of customer service does not allow for prompt resolutions of service problems. Similarly, 83.8% of the respondents agree/strongly agree that centralization of decision-making of customer service does not allow for prompt resolutions of service problems while 0.4% were indifferent. Therefore, given that the acceptance point is 3.0, the grand mean value of 4.053 as shown in the descriptive table above indicates that centralization of decision-making of customer service does not allow for prompt resolutions of service problems.

Table 8: Decision-making on customers of family-owned businesses include products, sales, post-sales services, customer database management, inquiries and complaints on products and services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	22	4.1	4.1	4.1
	Disagree	54	10.1	10.1	14.3
	Undecided	7	1.3	1.3	15.6
	Agree	298	55.9	55.9	71.5
	Strongly Agree	152	28.5	28.5	100.0
	Total	533	100.0	100.0	

Source: IBM SPSS Statistics 20.0 Version.

Table 4.2.3 above present results of responses of item question two in research question three that seeks to examine the extent to which centralization of decision-making affects customer service in family-owned businesses. The result of the analyses based on the responses of the respondents shows a response frequency of five hundred and thirty-three (533). The observed response rate of strongly disagree is twenty-two (22) representing 4.1%, fifty-four (54) respondents of disagreeing represent 10.1% and seven (7) of undecided representing 1.3%. However, two hundred and ninety-eight (298) respondents agree to represent 55.9% and one hundred and fifty-two (152) respondents strongly agree to represent 28.5%. This implies that 14.2% of the respondents disagree/strongly disagree that decision-making on customers of family-owned businesses includes products, sales, post-sales services, customer database management, inquiries and complaints on products and services. Similarly, 84.4% of the respondents agree/strongly agree that decision-making on customers of family-owned businesses include products, sales, post-sales services, customer database management, inquiries and complaints on products and services while 1.3% were indifferent. Therefore, given that the acceptance point is 3.0, the grand mean value of 3.946 as shown in the descriptive table above indicates that decision-making on customers of family-owned businesses includes products, sales, post-sales services, customer database management, inquiries and complaints on products and services.

Table 9: Customers complaints are best handled when they talk to a representative who works in the business that allows them to express themselves in their language or the one they understand and action taken immediately

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	Strongly Disagree	7	1.3	1.3	1.3
	Disagree	69	12.9	12.9	14.3
	Undecided	82	15.4	15.4	29.6
	Agree	205	38.5	38.5	68.1
	Strongly Agree	170	31.9	31.9	100.0
	Total	533	100.0	100.0	

Source: IBM SPSS Statistics 20.0 Version.

Table 4.3.4 above present results of responses of item question three in research question three that seeks to examine the extent to which centralization of decision-making affects customer service in family-owned businesses. The result of the analyses based on the responses of the respondents shows a response frequency of five hundred and thirty-three (533). The observed response rate of strongly disagree is seven (7) representing 1.3%, sixty-nine (69) respondents of disagreeing represent 12.9% and eighty-two (82) of undecided representing 15.4%. However, two hundred and five (205) respondents agree to represent 38.5% and one hundred and seventy (170) respondents strongly agree to represent 31.9%. This implies that 14.2% of the respondents disagree/strongly disagree that customers’ complaints are best handled when they talk to a representative who works in the business that allows them to express themselves in their language or the one they understand and action is taken immediately. Similarly, 70.4% of the respondents agree/strongly agree that customers’ complaints are best handled when they talk to a representative who works in the business that allows them to express themselves in their language or the one they understand and action is taken immediately while 15.4% were indifferent. Therefore, given that the acceptance point is 3.0, the grand mean value of 3.867 as shown in the descriptive table earlier presented indicates that customers’ complaints are best handled when they talk to a representative who works in the business that allows them to express themselves in their language or the one they understand and action is taken immediately.

Table 10: Centralized decision-making ensures uniformity of products and services as well as the right solution for each particular customer to be met

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	152	28.5	28.5	28.5
	Disagree	261	49.0	49.0	77.5
	Undecided	28	5.3	5.3	82.7
	Agree	59	11.1	11.1	93.8
	Strongly Agree	33	6.2	6.2	100.0
	Total	533	100.0	100.0	

Source: IBM SPSS Statistics 20.0 Version.

Table 4.2.5 above present results of responses of item question four in research question three that seeks to examine the extent to which centralization of decision-making affects customer service in family-owned businesses. The result of the analyses based on the responses of the respondents shows a response frequency of five hundred and thirty-three (533). The observed response rate of strongly disagree is one hundred and fifty-two (152) representing 28.5%, two hundred and sixty-one (261) respondents of disagreeing represent 49.0% and twenty-eight (28) of undecided representing 5.3%. However, fifty-nine (59) respondents agree to represent 11.1% and thirty-three (33) respondents strongly agree to represent 6.2%. This implies that 77.5% of the respondents disagree/strongly disagree that centralized decision-making ensures uniformity of products and services as well as the right solution for each particular customer to be met. Similarly, 17.3% of the respondents agree/strongly agree that centralized decision-making ensures uniformity of products and

services as well as the right solution for each particular customer to be met while 5.3% were indifferent. Therefore, given that the acceptance point is 3.0, the grand mean value of 2.174 as shown in the descriptive table earlier presented indicates that centralized decision-making does not ensure uniformity of products and services as well as the right solution for each particular customer to be met.

Table 11: Customer service in family-owned is characterized by poor, unreliable, slow and defective services that hinder business performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	164	30.8	30.8	30.8
	Disagree	138	25.9	25.9	56.7
	Undecided	13	2.4	2.4	59.1
	Agree	116	21.8	21.8	80.9
	Strongly Agree	102	19.1	19.1	100.0
	Total	533	100.0	100.0	

Source: IBM SPSS Statistics 20.0 Version.

Table 4.2.6 above present results of responses of item question five in research question three that seeks to examine the extent to which centralization of decision-making affects customer service in family-owned businesses. The result of the analyses based on the responses of the respondents shows a response frequency of five hundred and thirty-three (533). The observed response rate of strongly disagree is one hundred and sixty-four (164) representing 30.8%, one hundred and thirty-eight (138) respondents of disagreeing represent 25.9% and thirteen (13) of undecided representing 2.4%. However, one hundred and sixteen (116) respondents agree to represent 21.8% and one hundred and two (102) respondents strongly agree to represent 19.1%. This implies that 56.7% of the respondents disagree/strongly disagree that customer service in family-owned is characterized by poor, unreliable, slow and defective services that hinder business performance. Similarly, 40.9% of the respondents agree/strongly agree that customer service in family-owned is characterized by poor, unreliable, slow and defective services that hinder business performance while 5.3% were indifferent. Therefore, given that the acceptance point is 3.0, the grand mean value of 2.726 as shown in the descriptive table earlier presented indicates that customer service in family-owned is not characterized by poor, unreliable, slow and defective services that hinder business performance.

Test of Hypothesis

H₀: Centralization of decision-making does not affect customer service in family-owned businesses

H₁: Centralization of decision-making significantly affects customer service in family-owned businesses

Table 12: Descriptive Statistics			
	Mean	Std. Deviation	N
Decision-making in family-owned businesses	3.154	1.0825	533
Customer service in family-owned	2.765	1.5092	533

Source: Data Analyses in IBM SPSS Statistics 20.0 Version.

Table 13: Correlations		
	Decision-making in family-owned businesses	Customer service in family-owned

Decision-making in family-owned businesses	Pearson Correlation	1	.877**
	Sig. (2-tailed)		.000
	N	533	533
Customer service in family-owned	Pearson Correlation	.877**	1
	Sig. (2-tailed)	.000	
	N	533	533

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

Source: IBM SPSS Statistics 20.0 Version.

Table 14: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.877 ^a	.769	.769	.7257	.769	1769.480	1	531	.000	.036

a. Predictors: (Constant), Decision-making in family-owned businesses
b. Dependent Variable: Customer service in family-owned

Source: IBM SPSS Statistics 20.0 Version.

Table 15: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	932.002	1	932.002	1769.480	.000 ^b
	Residual	279.683	531	.527		
	Total	1211.685	532			

a. Dependent Variable: Customer service in family-owned
b. Predictors: (Constant), Decision-making in family-owned businesses

Source: Data IBM SPSS Statistics 20.0 Version.

Table 16: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
		1	(Constant)	-1.091			.097	
1	Decision-making in family-owned businesses	1.223	.029	.877	42.065	.000	1.166	1.280

a. Dependent Variable: Customer service in family-owned

Source: IBM SPSS Statistics 20.0 Version.

R = 0.877

$$R^2 = 0.769$$

$$F = 1769.480$$

$$T = -11.256$$

$$DW = 0.036$$

Interpretation and Decision:

Table 4.3.1 shows the descriptive statistics of the relationship between centralization of decision-making and customer service in family-owned businesses. Centralization of decision-making has a mean score of 3.154 with a standard deviation of 1.0825. On the other hand, customer service has a mean score of 2.765 and a standard deviation of 1.5092. A careful observation of the standard deviation values reveals that there is almost the same variability of data points amongst the dependent and the independent variables. This implies that centralization of decision-making constitutes a greater percentage of variables that significantly affect customer service in family-owned businesses in the South-East, Nigeria.

The regression sum of squares in the table 4.3.6d is 932.002 greater than the residual sum of squares 279.683 which indicate that more of the variation in the dependent variable is not explained by the model. The significance value of the F statistic (0.00) is less than 0.05 which means that the variation explained by the model is not due to chance. R, the correlation coefficient which has a value of 0.877 indicate that there is a significant relationship between centralization of decision-making and customer service in family-owned businesses in the South-East, Nigeria. R square, the coefficient of determination shows that 76.9% of the variation in the customer service of family-owned businesses is explained by the model. With the linear regression model, the error of estimate is low with a value of 0.7257. The Durbin Watson statistic of 0.036 which is less than 2 indicates that there is no autocorrelation. The centralization of decision-making influence customer service in family-owned businesses has a coefficient of 0.877 indicate a negative relationship between centralization of decision-making and customer service with $t = -11.256$. Therefore, the null hypothesis is rejected and the alternate hypothesis accepted. Hence, we conclude based on the results above that centralization of decision-making negatively and significantly affects customer service in family-owned businesses in the South-East, Nigeria.

DISCUSSION OF RESULTS

The objective of the study was to evaluate the effect of centralization of decision-making on customer service in family-owned businesses. The result of the analyses of research question as earlier presented revealed that the centralization of decision-making affected customer service in family-owned businesses. The computed mean of the observed responses was 3.1 higher than the expected mean of 3.00 suggests that centralization of decision-making had a slim positive effect on customer service. Again, hypothesis three was subjected to double test using both Pearson Moment Correlation Coefficient and Simple Linear Regression to evaluate the effect of centralization of decision-making on customer service of family-owned businesses led to the rejection of null hypothesis and acceptance of the alternate hypothesis. Thus, the study concludes that a slim positive correlation exists between centralization of decision-making and customer service of family-owned businesses in the South-East, Nigeria ($r = 0.877$, $t = -11.256$, $F = 1769.480$ $p < 0.05$).

The above finding disagrees empirical studies in the private sector to find relationship between centralization and performance such as Bozeman (1982), Dalton, Todor, Spendolini, Fielding and Porter (1980), Wolf (1993), Wagner (1994), Moynihan and Pandey (2005), Lambert, Paoline & Hogan (2006),

Andrews, Boyne, Law and Walker (2009), Gurcaylilar-Yenidogan and Windsperger (2013). However, present findings are in agreement with the studies of Whetten (1978) as well as Glisson and Martin (1980).

FINDINGS

The following were the findings of the study:

1. That centralization of decision-making of customer service does not allow for prompt resolutions of service problems
2. That decision-making on customers of family-owned businesses include products, sales, post-sales services, customer database management, inquiries and complaints on products and services
3. That customers' complaints are best handled when they talk to a representative who works in the business that allows them to express themselves in their language or the one they understand and action taken immediately
4. That centralized decision-making does not ensure uniformity of products and services as well as the right solution for each particular customer to be met
5. That customer service in family-owned is not characterized by poor, unreliable, slow and defective services that hinder business performance

CONCLUSION AND RECOMMENDATION

The study concludes based on the results above that centralization of decision-making negatively and significantly affects customer service in family-owned businesses in the South-East, Nigeria. The study recommends a decentralized customer service which would be proactive with customers' needs.

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APPENDIX

Questionnaire

Instruction: The options to select are in the following scale. Please, indicate your opinion by shading below the number which matches your opinion in the table below:

5 = Strongly Agree (SA)

4 = Agree (A)

3 = Undecided (U)

2 = Disagree (D)

1 = Strongly Disagree (SD)

To evaluate the effect of centralization of decision-making on the customer service in family-owned businesses					
Questions	SA	A	U	D	SD
a. Centralization of decision-making of customer service does not allow for prompt resolutions of service problems					
b. Decision-making on customers of family-owned businesses include products, sales, post-sales services, customer database management, inquiries and complaints on products and services					
c. Customers complaints are best handled when they talk to a representative who works in the business that allows them to express themselves in their language or the one they understand and action taken immediately					
d. Centralized decision-making ensures uniformity of products and services as well as the right solution for each particular customer to be met					
e. Customer service in family-owned is characterized by poor, unreliable, slow and defective services that hinder business performance					