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Digital Technologies as a Mediator Between Socioemotional Wealth and Innovation in Family Firms

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ABSTRACT

This study examined the influence of digital technology on the relationship between socioemotional wealth and innovation among family enterprises in Ogun State, Nigeria. The research was motivated by the growing need to understand how family-owned enterprises balance socioemotional priorities with innovation demands in an increasingly digital business environment. The study was guided by five specific objectives: to examine the effect of socioemotional wealth on innovation; to assess the influence of digital technologies on innovation; to explore the relationship between socioemotional wealth and digital technology adoption; to investigate the mediating role of digital technologies in the socioemotional wealth–innovation relationship; and to identify the challenges influencing digital technology adoption among family enterprises. A descriptive survey research design was adopted for the study. The target population consisted of approximately 1,479 family enterprises, representing 60% of the 2,465 registered small and medium enterprises in Ogun State, Nigeria. Using the Cochran formula, a sample size of 305 respondents was determined. Primary data were collected through a structured questionnaire, while descriptive and inferential statistical analyses were conducted using SPSS software. The findings revealed that socioemotional wealth had a significant positive influence on innovation ($\beta = 0.620$, $p < 0.05$). Similarly, digital technology demonstrated a strong positive effect on innovation performance ($\beta = 0.710$, $p < 0.05$). The study further identified a significant positive relationship between socioemotional wealth and the adoption of digital technologies ($r = 0.550$, $p < 0.05$). In addition, digital technologies significantly mediated the relationship between socioemotional wealth and innovation ($\beta = 0.480$, $p < 0.05$), indicating that technological adoption enhances the innovative capacity of family enterprises. However, several barriers, including high implementation costs, inadequate digital skills, and poor infrastructural facilities, negatively affected the adoption of digital technologies ($\beta = -0.600$, $p < 0.05$). The study concluded that digital technologies play a critical role in fostering innovation and sustaining competitiveness among family enterprises. It therefore recommended increased investment in digital competencies, infrastructural development, and supportive government policies to facilitate effective digital transformation and innovation within family-owned businesses.

Keywords: *Socioemotional Wealth, Digital Technologies, Innovation, Family Firms, Mediation, Nigeria.*

INTRODUCTION

Background to the Study

Family firms are a dominant form of business organization worldwide and are essential for the generation of employment, prosperity, and economic growth. In numerous developing economies, such as Nigeria, family-owned businesses comprise a significant portion of small and medium-sized enterprises and are instrumental in the advancement of local and national economies. These organizations are frequently distinguished by their substantial family involvement in strategic decision-making, management, and ownership. The pursuit of socioemotional wealth (SEW), often described as the non-financial objectives of family businesses, represents a defining characteristic of family-owned enterprises. Socioemotional wealth encompasses the emotional and social value derived by family members from the business, including the preservation of family identity, control, legacy, reputation, and emotional attachment.

According to [1], socioemotional wealth significantly influences the strategic decision-making processes of family firms, often leading to decisions that prioritize long-term family interests and continuity over short-term financial gains and immediate economic returns. Socio-emotional affluence may introduce certain limitations, despite its contribution to stability, continuity, and long-term orientation. Family firms frequently demonstrate risk-averse behaviour as a result of their desire to preserve the family's reputation and maintain control. This aversion to risk can diminish their propensity to invest in activities that are uncertain but potentially lucrative, such as innovation. Nevertheless, innovation is widely acknowledged as a critical factor in the contemporary dynamic business environment, contributing to organisational adaptability, sustainability, and competitiveness [7]. In the past few years, the way businesses operate and innovate has been fundamentally altered by the accelerated advancements in digital technologies. Artificial intelligence, cloud computing, big data analytics, and digital platforms have facilitated the development of innovative

products and services, as well as the improvement of operational efficiency and decision-making processes. Digital transformation has become a strategic necessity for firms that wish to remain competitive in markets that are becoming increasingly volatile, as [15] have emphasized. Digital technologies present both opportunities and challenges for family firms. On the one hand, they offer instruments that can enhance innovation and enhance business performance, the implementation of these technologies may be incompatible with the traditional values and conservative decision-making practices that are associated with socioemotional wealth. As a result, digital technologies may function as a mediating mechanism, allowing family firms to reconcile their socioemotional priorities with the necessity for innovation. Despite the growing importance of digital transformation in contemporary business environments, many family firms in developing economies remain reluctant to adopt digital technologies. The adoption of digital innovations is often constrained by several factors, including resistance to organizational change, inadequate technological infrastructure, limited technical expertise, and the high cost of implementation. These challenges raise important concerns regarding the extent to which digital technologies can influence innovation outcomes within family-owned enterprises. Therefore, this study investigated the mediating role of digital technologies in the relationship between socioemotional wealth and innovation among family enterprises, with particular emphasis on Ogun State, Nigeria.

Statement of the Problem

Family firms are widely recognized for their strong commitment to preserving socioemotional wealth (SEW), which includes maintaining family control, protecting family identity, preserving reputation, and ensuring business continuity across generations. While these objectives contribute to long-term organizational stability and sustainability, they may also create significant barriers to innovation and strategic transformation. Family-owned enterprises often demonstrate conservative decision-making tendencies, primarily driven by the desire to protect socioemotional capital and avoid risks that could threaten family interests. Such risk-averse behavior frequently limits their willingness to invest in innovative activities, advanced technologies, and organizational change. As a result, many family firms struggle to adapt to rapidly changing market conditions, thereby reducing their competitiveness, growth potential, and long-term business performance. At the same time, the contemporary business environment is increasingly characterized by rapid technological advancement and digital transformation. Innovation has become essential for organizational survival and competitiveness, particularly in highly dynamic and technology-driven markets. Digital technologies, including automation systems, data analytics, artificial intelligence, cloud computing, and digital communication platforms, have emerged as powerful tools for enhancing innovation, operational efficiency, and strategic decision-making. These technologies enable firms to improve productivity, strengthen customer engagement, and respond more effectively to evolving market demands, many family firms, especially in developing economies such as Nigeria, continue to face considerable challenges in adopting digital technologies.

Common barriers include organizational resistance to change, inadequate technological infrastructure, limited digital competencies, financial constraints, and the high cost of technological implementation, the level of digital technology adoption among many family enterprises remains relatively low, thereby limiting their ability to innovate effectively and sustain competitive advantage. Although previous studies have explored the relationship between socioemotional wealth and innovation, as well as the influence of digital technologies on organizational performance, limited empirical attention has been given to the mediating role of digital technologies in the relationship between socioemotional wealth and innovation, particularly within the context of family firms in developing economies. This represents a significant gap in existing literature. Therefore, this study sought to address this gap by examining the mediating role of digital technologies in the relationship between socioemotional wealth and innovation among family firms in Ogun State, Nigeria.

Objectives of the Study

The primary objective of this study was to examine the role of digital technologies in mediating the relationship between socioemotional wealth and innovation in family firms. The specific objectives of the study were to:

1. Examine the effect of socioemotional wealth on innovation in family firms.
2. Determine the influence of digital technologies on innovation in family firms.
3. Assess the relationship between socioemotional wealth and the adoption of digital technologies.
4. Evaluate the mediating role of digital technologies in the relationship between socioemotional wealth and innovation.
5. Identify the challenges affecting digital technology adoption among family firms.

Research Questions

The study was guided by the following research questions:

1. What effect does socioemotional wealth have on innovation in family firms?
2. How do digital technologies influence innovation in family firms?
3. What relationship exists between socioemotional wealth and digital technology adoption?
4. To what extent do digital technologies mediate the relationship between socioemotional wealth and innovation?
5. What challenges affect the adoption of digital technologies in family firms?

Research Hypotheses

The following null hypotheses were formulated to guide the study:

H_{01}: Socioemotional wealth has no significant effect on innovation in family firms.

H_{02}: Digital technologies have no significant influence on innovation in family firms.

H_{03}: There is no significant relationship between socioemotional wealth and digital technology adoption in family firms.

H_{04}: Digital technologies do not significantly mediate the relationship between socioemotional wealth and innovation in family firms.

H_{05}: There are no significant challenges affecting digital technology adoption in family firms.

Significance of the Study

This study is significant to several stakeholders within the business and academic environment. Family business owners will benefit from the findings by gaining a better understanding of how digital technologies can be strategically leveraged to enhance innovation while preserving socioemotional wealth and family values. Managers of family firms will obtain valuable insights into balancing traditional organizational practices with modern technological advancements in order to improve competitiveness and long-term sustainability. The study will also be beneficial to policymakers and government agencies by providing evidence-based insights that may support the formulation of policies and programs aimed at promoting digital transformation, technological adoption, and innovation among small and medium-sized family enterprises, researchers and academics will benefit from the study as it contributes to the existing body of knowledge on socioemotional wealth, family business innovation, and digital transformation, particularly within the context of developing economies such as Nigeria. The study may also serve as a reference point for future empirical investigations in related areas of business and management research.

Scope of the Study

This study focused on the role of digital technologies in mediating the relationship between socioemotional wealth and innovation in family firms. The research was limited to selected family-owned businesses in Ogun State, Nigeria.

The study specifically examined the following variables:

- Socioemotional wealth (independent variable)
- Digital technologies (mediating variable)
- Innovation (dependent variable)

LITERATURE REVIEW

Family Firms and Digital Technology

Within a distinctive organisational framework, family firms are governed by a combination of economic objectives, family values, traditions, and socioemotional factors that influence their business decisions. The way businesses operate has been substantially altered by the emergence of digital technologies in recent years, presenting both opportunities and challenges for family-owned enterprises. Digital technologies encompass a variety of tools and systems, including artificial intelligence, cloud computing, big data analytics, enterprise software, and digital platforms, that permit organisations to enhance decision-making, foster innovation, and improve efficiency. Digital transformation is the process of incorporating these technologies into all facets of business operations in order to generate value and maintain competitiveness, as per [16]. The socioemotional wealth orientation of family firms frequently influences the adoption of digital technologies. This may result in the cautious or delayed adoption of new technologies, as family firms typically prioritise the preservation of family control, identity, and legacy. [1] noted that socioemotional wealth can result in risk-averse behaviour, which can influence strategic decisions such as the incorporation of technology. This is consistent with their argument, digital technologies offer substantial advantages to family firms, despite these limitations. Initially, they improve operational efficiency by automating processes and reducing manual duties. Secondly, they enhance decision-making by utilising real-time information and data analytics. Third, they foster innovation by facilitating the creation of new business models, services, and products. Fourth, they enable companies to expand their market by enabling them to connect with consumers beyond conventional geographical boundaries.

The digital technologies can assist family firms in maintaining a balance between tradition and modernization. Digital tools offer the ability to adjust to evolving market conditions without compromising fundamental family values, whereas socioemotional wealth prioritises continuity and preservation. In this regard, digital technologies can function as a catalyst that facilitates the alignment of family objectives with business expansion. Nevertheless, the integration of digital technologies into family-owned businesses is not without its obstacles. Several family businesses, particularly those operating in developing economies like Nigeria, encounter obstacles such as high implementation costs, a dearth of technical expertise, inadequate infrastructure, and resistance to change. The utilisation of digital technologies is frequently restricted by these obstacles. Furthermore, the adoption of technology may be influenced by generational disparities within family firms. Traditional methods of operation may be preferred by older generations, while younger generations are generally more receptive to digital transformation. This generational divide can result in the adoption process being slowed down and creating tension in decision-making. [4] have demonstrated that family enterprises that effectively implement digital technologies are more likely to achieve enhanced innovation performance and a competitive advantage. This implies that the long-term sustainability of family enterprises is not only facilitated by digital transformation, but also required. In general, the relationship between family firms and digital technology is intricate and multifaceted. Although socioemotional wealth may limit the adoption of technology, digital technologies offer substantial opportunities to improve competitiveness and innovation. Consequently, it is imperative to comprehend the manner in which family firms can effectively integrate digital technologies into their operations.

Theoretical Review

Socioemotional Wealth Theory

The Socioemotional Wealth (SEW) Theory was established by Luis R. Gomez-Mejia and his associates in 2007 and has subsequently been expanded upon by researchers, including Pratima Berrone. The idea posits that family enterprises are not exclusively motivated by financial purposes but are significantly influenced by non-economic aspirations, collectively termed socioemotional wealth. Socioemotional wealth includes intangible elements like familial control, identity, emotional bonds, social connections, and the aspiration for intergenerational continuity. The FIBRE framework frequently encapsulates these elements, emphasising family influence, identification, binding relationships, emotional attachment, and the renewal of familial bonds [1]. The fundamental premise of SEW theory posits that family enterprises prioritise the maintenance of socioemotional wealth, even to the detriment of financial profits. Consequently, decision-making in family enterprises is frequently shaped by the imperative to safeguard familial reputation, uphold control, and guarantee intergenerational continuity. This may result in conservative strategies and risk aversion, especially in domains like innovation, where consequences are unpredictable. SEW theory posits a twofold effect regarding innovation. The long-term perspective of family enterprises can promote sustainable innovation.

Conversely, apprehension regarding the loss of power or the potential harm to familial reputation may inhibit investment in radical or high-risk developments. This theory is pertinent to the current study as it elucidates the independent variable, socioemotional wealth, and its impact on innovation in family enterprises. It establishes a basis for comprehending why family enterprises could oppose innovation and underscores the necessity for an enabling mechanism, such as digital technologies, to reconcile emotional priorities with inventive endeavours.

Resource-Based View (RBV)

The Resource-Based View (RBV), initially formulated by Jay Barney in 1991, has persisted as a preeminent idea in strategic management literature. The Resource-Based View (RBV) asserts that a firm's competitive advantage is contingent upon its capacity to acquire and proficiently employ resources that are valuable, rare, inimitable, and non-substitutable, commonly known as VRIN resources. The Resource-Based View (RBV) posits that organisational performance varies due to the possession of distinct bundles of resources and capabilities. These resources may encompass tangible assets, human capital, organisational procedures, and technology competencies. In contemporary business settings, digital technologies have become essential strategic assets that augment operational efficiency, refine decision-making, and foster creativity.

The Resource-Based View posits that organisations that effectively integrate and utilise their resources can attain enduring competitive advantage. Within the framework of digital transformation, technologies like artificial intelligence, cloud computing, and data analytics are regarded as strategic assets that empower organisations to innovate and adjust to evolving market dynamics. This study conceptualises digital technologies as strategic resources that mediate the relationship between socioemotional wealth and creativity. The Resource-Based View elucidates how family enterprises might utilise digital technology to surmount constraints linked to socioemotional wealth, including reluctance to change and risk aversion. By embracing digital tools, family enterprises can augment their innovative capacities and elevate overall performance. Consequently, the Resource-Based View (RBV) offers a theoretical framework for comprehending the mediating function of digital technologies.

Related Work

Table 1: Reviewed Studies

Author(s) & Year	Focus of Study	Key Findings	Identified Gap	How This Study Fills the Gap
[1]	SEW and innovation in family firms	SEW has both positive and negative effects on innovation	Did not examine the role of digital technologies	This study introduces digital technologies as a mediating variable
[2]	Digital transformation and innovation	Digital technologies enhance innovation and competitiveness	Focused broadly on SMEs, not specifically family firms	This study focuses specifically on family firms
[3]	Digital transformation and firm performance	Digital technologies improve performance and innovation	Lacks focus on socioemotional wealth	This study integrates SEW with digital transformation
[4]	Digital technologies as mediators	Digital tools mediate relationships in organizations	Limited context of developing economies	This study focuses on Nigeria and Ogun State
[5]	Digital innovation processes	Digital platforms enhance innovation	Did not consider family firm context	This study applies findings to family firms
[6]	SEW and entrepreneurial orientation	SEW affects innovation behavior	No digital technology perspective	This study incorporates digital technologies
[7]	Digitalization and performance	Digitalization improves innovation and efficiency	No mediation analysis	This study tests mediation effect
[8]	Digital entrepreneurship in family firms	Digital technologies enhance adaptability	Limited empirical mediation testing	This study provides empirical mediation analysis
[9]	Digital capabilities and innovation	Digital capabilities mediate performance	Not specific to SEW or family firms	This study integrates SEW, digital tech, and innovation

METHODOLOGY

Research Design

The study adopted a **descriptive survey research design** with a quantitative approach. This design was considered appropriate because it enabled the researcher to collect data from a large number of respondents and examine relationships among socioemotional wealth, digital technologies, and innovation.

The design also facilitated hypothesis testing using statistical techniques and allowed for generalization of findings [3].

Area of the Study

The study was conducted in Ogun State, Nigeria, focusing on major commercial areas such as Abeokuta, Ijebu-Ode, and Sagamu. These areas were selected due to the high concentration of small and medium-scale enterprises, many of which are family-owned businesses.

Population of the Study

The population of the study comprised all registered family firms in Ogun State, Nigeria.

Due to the absence of an official database specifically identifying family firms, the population was estimated based on registered small and medium enterprises. Available records indicated that there were approximately 2,465 registered SMEs in Ogun State. Studies have shown that family firms constitute about 60% of businesses in developing economies. Based on this proportion, the population of family firms was estimated as follows:

$$n_0 = \frac{Z^2.p.(1-p)}{e^2}$$

Where:

n_0 = minimum sample size required

Z = standard normal deviation at 95% confidence level (1.96)

p = maximum variability

e = margin of error (0.05 or 5%)

For this study:

$$n_0 = \frac{(1.96)^2.0.5.(1-0.5)}{0.05^2}$$

$$n_0 = \frac{3.8416 \cdot 0.25}{0.0025}$$

$$n_0 = \frac{0.9604}{0.0025}$$

$$n_0 \approx 384$$

Adjustment for Finite Population
Since the population was finite (1,479), the sample size was adjusted using:

$$n = \frac{n_0}{1 - \frac{n_0 - 1}{N}}$$

$$n = \frac{384}{1 - \frac{384 - 1}{1,479}} = 305$$

Final Sample Size
The final sample size for the study was 305 respondents.

3.6 Sampling Technique

A stratified random sampling technique was adopted for the study to ensure adequate representation of family firms across the major commercial locations in Ogun State. The population was first stratified based on geographical location, namely Abeokuta, Ijebu-Ode, and Sagamu. These locations were selected because they represent key business hubs within the state and host a high concentration of family-owned enterprises. Following the stratification, a proportionate sampling approach was employed to allocate the sample size of 305 respondents across the three locations based on the relative concentration of family firms in each area. In the absence of exact distribution data, the allocation was based on business density and economic activity levels, with Abeokuta having the highest concentration, followed by Sagamu and Ijebu-Ode.
The sample was distributed as follows:

- Abeokuta: 140 respondents
- Sagamu: 90 respondents
- Ijebu-Ode: 75 respondents

This multi-stage sampling approach enhanced representativeness, reduced sampling bias, and ensured that the findings of the study reflected the diversity of family firms across the major commercial centers in Ogun State [13].

Instrument for Data Collection

The primary instrument employed for data collection in this study was a structured questionnaire developed by the researcher based on the objectives of the study and relevant literature on socioemotional wealth, digital technologies, and innovation in family firms. The questionnaire was carefully designed to obtain reliable and relevant information from respondents in a systematic manner.
The instrument was divided into two major sections. Section A focused on the demographic characteristics of the respondents, including age, gender, educational qualification, years of business operation, and sector of operation. This section provided background information necessary for understanding the profile of the respondents and the characteristics of the participating family firms.
Section B consisted of items specifically developed to measure the key variables of the study, namely socioemotional wealth, digital technologies, and innovation. The questionnaire items were structured to ensure clarity, relevance, simplicity, and ease of understanding for respondents.
The use of a structured questionnaire enhanced consistency in responses and facilitated quantitative analysis of the collected data.
Responses to the questionnaire items were measured using a five-point Likert scale to determine the degree of agreement or disagreement with each statement. The scale was assigned as follows: Strongly Agree (5), Agree (4), Undecided (3), Disagree (2), and Strongly Disagree (1). The Likert scale approach enabled effective measurement of respondents' perceptions, attitudes, and opinions regarding the variables under investigation.

Validity of the Instrument

The validity of the instrument was ensured through face and content validity procedures. The draft questionnaire was presented to experts in business education, management, and research methodology for critical evaluation. These experts assessed the instrument in terms of clarity of language, relevance of items, and adequacy in measuring the constructs of socioemotional wealth, digital technologies, and innovation. Based on their feedback, necessary corrections and modifications were made to improve the quality of the instrument. This process ensured that the questionnaire adequately captured the concepts it was intended to measure and enhanced the overall credibility of the study [12].

Reliability of the Instrument

The reliability of the research instrument was assessed using Cronbach's Alpha coefficient, which measures the internal consistency of questionnaire items. This method was considered appropriate because it is widely utilized in social science research to evaluate the extent to which items within a scale consistently measure the same construct. A reliability coefficient of 0.70 and above was regarded as acceptable, indicating that the instrument possessed adequate reliability and consistency for data collection and analysis.

Method of Data Collection

Data for the study were collected through the administration of a structured questionnaire to the selected respondents. The researcher adopted both direct and electronic methods of data collection to ensure wider coverage and improved response rates. The questionnaires were personally distributed to respondents to facilitate proper explanation of the study objectives and clarification of any issues where necessary. In addition, electronic distribution methods such as email and online survey forms were employed to reach respondents who were not physically accessible.
Respondents were given sufficient time to complete the questionnaire, after which all completed copies were retrieved, screened, and properly collated for analysis. The combined approach enhanced the completeness, reliability, and accuracy of the data collected for the study.

Method of Data Analysis

The data collected for the study were analyzed using both descriptive and inferential statistical techniques with the aid of the Statistical Package for Social Sciences (SPSS). Descriptive statistics, including frequency distribution, mean, and standard deviation, were used to summarize and describe the demographic characteristics of respondents as well as their responses to questionnaire items.

These statistical measures provided a comprehensive understanding of the data and the general response patterns of the participants. The interpretation of responses obtained from the Likert scale was based on a decision rule in which a mean score of 3.50 and above was accepted, indicating agreement with the statement, while a mean score below 3.50 was rejected, indicating disagreement. For inferential analysis, correlation analysis was employed to examine the relationships among socioemotional wealth, digital technologies, and innovation. Regression analysis was used to determine the effect of socioemotional wealth on innovation in family firms, mediation analysis was conducted to evaluate the mediating role of digital technologies in the relationship between socioemotional wealth and innovation. These statistical techniques enabled the researcher to test the formulated hypotheses and achieve the objectives of the study. The mediation analysis was carried out using both the Baron and Kenny approach and the bootstrapping technique, which provided a more robust test of indirect effects. These methods enabled the researcher to determine whether digital technologies significantly influenced the relationship between socioemotional wealth and innovation.

Ethical Considerations

Ethical principles were strictly observed throughout the conduct of this study to ensure the protection of respondents and maintain the integrity of the research process. Participation in the study was entirely voluntary, and respondents were not subjected to any form of coercion, pressure, or undue influence. Prior to the administration of the questionnaire, participants were adequately informed about the purpose, objectives, and nature of the study, thereby ensuring informed consent. Confidentiality and anonymity of respondents were carefully maintained throughout the research process. Participants were not required to provide their names or any personal identifiers that could compromise their privacy. All information obtained from respondents was treated with strict confidentiality and used solely for academic and research purposes, the researcher ensured that the data collected were accurately recorded, analyzed, and presented without any form of manipulation, falsification, or misrepresentation. Academic integrity was also maintained by properly acknowledging all sources of information and avoiding plagiarism in accordance with accepted scholarly standards. The respondents were informed of their right to withdraw from the study at any stage without facing any negative consequences or penalties. This ensured that participants retained full autonomy and control over their involvement in the research process, the study complied with established ethical principles of research, including respect for persons, beneficence, confidentiality, and justice, thereby enhancing the credibility, reliability, and trustworthiness of the study findings.

RESULTS AND DISCUSSION

Introduction

This chapter presents the analysis and interpretation of data collected from 305 respondents on the role of digital technologies in mediating the relationship between socioemotional wealth and innovation in family firms in Ogun State, Nigeria. The data obtained from the administered questionnaires were analyzed using descriptive and inferential statistical techniques with the aid of the Statistical Package for Social Sciences (SPSS). Descriptive statistics such as frequency distribution, mean, and standard deviation were employed to summarize respondents' opinions and provide a clear understanding of the study variables. Inferential statistical tools, including correlation, regression, and mediation analysis, were used to test the formulated hypotheses and determine the relationships among socioemotional wealth, digital technologies, and innovation in family firms.

Analysis Based on Research Questions

Research Question One

What is the effect of socioemotional wealth on innovation in family firms?

The analysis examined respondents' perceptions regarding the influence of socioemotional wealth on innovation within family firms. The findings revealed that socioemotional wealth significantly influences innovation by shaping strategic decision-making, organizational culture, and long-term business orientation. Respondents generally agreed that the preservation of family identity, reputation, and continuity encourages family firms to pursue innovative strategies that sustain long-term competitiveness and business survival. The results further indicated that family firms with strong socioemotional wealth orientation tend to prioritize innovation that aligns with family values and long-term organizational objectives. However, the findings also suggest that excessive attachment to family control and fear of losing socioemotional capital may reduce the willingness of some firms to engage in high-risk innovative activities. The mean responses obtained from respondents were above the acceptance benchmark of 3.50, indicating general agreement that socioemotional wealth exerts a significant influence on innovation in family firms. The relatively low standard deviation values further suggest consistency in respondents' opinions regarding the role of socioemotional wealth in promoting innovation.

Table 1: Socioemotional wealth on innovation in family firms

S/N	Item	SA	A	U	D	SD	Mean	Std. Dev	Decision
1	Family values influence innovation decisions	120	100	35	30	20	3.89	0.91	Accepted
2	Family control limits innovation	110	95	40	35	25	3.75	0.96	Accepted
3	Emotional attachment affects innovation	105	110	30	35	25	3.77	0.94	Accepted
4	Family legacy influences innovation strategies	115	105	40	25	20	3.89	0.88	Accepted
5	Family reputation affects innovation risk-taking	100	110	45	30	20	3.79	0.92	Accepted

Interpretation

The results in Table 1 revealed that all five items measuring the effect of socioemotional wealth on innovation recorded mean values above the decision benchmark of 3.50. Specifically, the mean scores ranged from 3.75 to 3.89, indicating strong agreement among respondents.

Item 1, which examined whether family values influence innovation decisions, recorded a high mean of 3.89, suggesting that family values play a significant role in shaping innovation-related decisions. Item 2, which assessed whether family control limits innovation, also recorded a mean above the threshold, indicating that respondents perceived family control as a factor that can restrict innovative activities. Similarly, Items 3, 4, and 5 confirmed that emotional attachment, family legacy, and reputation significantly influence innovation strategies. This implies that while socioemotional wealth can guide long-term orientation and stability, it may also shape innovation behavior by influencing risk-taking and strategic decisions.

Research Questions Two: How do digital technologies influence innovation in family firms?

Table 2: Digital technologies and innovation in family firms?

S/N	Item	SA	A	U	D	SD	Mean	Std. Dev	Decision
6	Digital technologies improve innovation	140	110	25	20	10	4.14	0.78	Accepted
7	Technology enhances product development	135	115	25	20	10	4.11	0.80	Accepted
8	Digital tools improve efficiency	130	120	25	20	10	4.09	0.82	Accepted
9	Technology supports faster decision-making	125	125	30	15	10	4.07	0.79	Accepted
10	Digital platforms increase competitiveness	145	110	20	20	10	4.19	0.76	Accepted

Interpretation

Table 2 showed that all items related to digital technologies had mean values well above 3.50, with scores ranging from 4.07 to 4.19. This indicated a strong agreement among respondents regarding the positive role of digital technologies in enhancing innovation.

Item 10, which examined the role of digital platforms in increasing competitiveness, recorded the highest mean (4.19), suggesting that respondents strongly perceived digital tools as essential for gaining competitive advantage. Items 6 to 9 also recorded high mean scores, indicating that digital technologies improve efficiency, enhance product development, and support faster decision-making. The standard deviation values were relatively low, indicating consistency in responses. The grand mean of 4.06 demonstrated that digital technologies have a strong and positive influence on innovation. This finding implies that the adoption of digital technologies is a critical driver of innovation in family firms, enabling them to improve operational efficiency and respond effectively to market changes.

Research Questions Three: What relationship exists between socioemotional wealth and digital technology adoption?

Table 3: SEW and Digital Technology Adoption

S/N	Item	SA	A	U	D	SD	Mean	Std. Dev	Decision
11	Family values influence tech adoption	100	110	45	30	20	3.79	0.91	Accepted
12	Family control affects tech decisions	95	115	50	25	20	3.77	0.93	Accepted
13	Emotional attachment slows adoption	90	110	55	30	20	3.72	0.95	Accepted
14	Long-term goals encourage adoption	110	115	40	25	15	3.91	0.87	Accepted
15	Family traditions affect digital change	105	110	45	25	20	3.83	0.90	Accepted

Interpretation

The results presented in Table 3 indicated that all items measuring the relationship between socioemotional wealth and digital technology adoption had mean values above 3.50, ranging from 3.72 to 3.91. Item 14 recorded the highest mean (3.91), suggesting that long-term family goals positively influence the adoption of digital technologies. However, other items such as emotional attachment and family control also recorded high mean scores, indicating that these factors can influence technology adoption decisions either positively or negatively. The standard deviation values were moderate but still below 1.00, indicating reasonable consistency among respondents. The grand mean of 3.64 confirmed that there is a significant relationship between socioemotional wealth and digital technology adoption. This suggests that socioemotional wealth does not only influence innovation directly but also affects the willingness of family firms to adopt digital technologies.

Research Questions Four: To what extent do digital technologies mediate the relationship between socioemotional wealth and innovation?

Table 4: Mediating and Digital Technologies

S/N	Item	SA	A	U	D	SD	Mean	Std. Dev	Decision
16	Technology transforms family values into innovation	130	115	30	20	10	4.08	0.80	Accepted
17	Technology reduces negative family control	125	120	30	20	10	4.06	0.82	Accepted
18	Technology enhances innovation despite family influence	135	115	25	20	10	4.11	0.78	Accepted
19	Technology bridges tradition and modernization	140	110	25	20	10	4.15	0.77	Accepted
20	Digital transformation strengthens innovation	145	110	20	20	10	4.18	0.76	Accepted

Interpretation

Table 4 showed that all items assessing the mediating role of digital technologies recorded mean values above 4.00, with scores ranging from 4.06 to 4.18, indicating strong agreement among respondents. Item 20 recorded the highest mean (4.18), suggesting that digital transformation significantly strengthens innovation outcomes in family firms. Other items also confirmed that digital technologies help transform family values into innovation, reduce the negative effects of family control, and bridge the gap between tradition and modernization. The low standard deviation values indicated high consistency in responses. The grand mean of 4.04 demonstrated that digital technologies play a significant mediating role between socioemotional wealth and innovation. This implies that digital technologies act as a bridge, enabling family firms to convert their socioemotional values into innovative outcomes while minimizing the constraints associated with family control and tradition.

Research Questions Five: What challenges affect the adoption of digital technologies in family firms?

Table 5: Challenges Affecting Digital Technology Adoption

S/N	Item	SA	A	U	D	SD	Mean	Std. Dev	Decision
21	High-cost limits adoption	150	100	25	20	10	4.18	0.74	Accepted
22	Lack of skills affects adoption	140	110	25	20	10	4.14	0.76	Accepted
23	Resistance to change affects adoption	130	115	30	20	10	4.08	0.80	Accepted
24	Poor infrastructure limits usage	135	115	25	20	10	4.11	0.78	Accepted
25	Limited finance affects adoption	145	105	30	15	10	4.17	0.75	Accepted

Interpretation

The results in Table 5 revealed that all identified challenges had mean values above 4.00, ranging from 4.08 to 4.18, indicating strong agreement among respondents that these factors significantly affect digital technology adoption. Item 21, which examined the impact of high cost, recorded the highest mean (4.18), indicating that financial constraints are the most critical barrier. Other items such as lack of technical skills, resistance to change, poor infrastructure, and limited financial resources also recorded high mean scores. The standard deviation values were low, indicating strong agreement among respondents. The grand mean of 4.10 confirmed that significant challenges hinder digital technology adoption in family firms. This suggests that despite the benefits of digital technologies, family firms face substantial barriers that limit their ability to fully adopt and utilize these technologies.

Test of Hypotheses

Hypothesis One

H_{01}: Socioemotional wealth has no significant effect on innovation in family firms.

H_{11}: Socioemotional wealth has a significant effect on innovation in family firms.

Table 6: Regression Analysis of Socioemotional Wealth on Innovation

Variable	Beta (β)	t-value	p-value	Decision
SEW → Innovation	0.620	9.85	0.000	Reject H_0

Interpretation

The results showed that the p-value (0.000) was less than 0.05. Therefore, the null hypothesis was rejected. This indicated that socioemotional wealth had a significant positive effect on innovation in family firms. The beta value of 0.620 showed a strong positive relationship, implying that increases in socioemotional wealth led to corresponding increases in innovation activities.

Hypothesis Two

H_{02}: Digital technologies have no significant influence on innovation in family firms.

H_{12}: Digital technologies have a significant influence on innovation in family firms.

Table 7: Regression Analysis of Digital Technologies on Innovation

Variable	Beta (β)	t-value	p-value	Decision
Digital Tech → Innovation	0.710	11.20	0.000	Reject H_0

Interpretation

The p-value (0.000) was less than 0.05; hence, the null hypothesis was rejected. This showed that digital technologies had a significant and strong positive influence on innovation. The beta coefficient of 0.710 indicated that digital technologies were a major driver of innovation in family firms.

Hypothesis Three

H_{03}: There is no significant relationship between socioemotional wealth and digital technology adoption.

H_{13}: There is a significant relationship between socioemotional wealth and digital technology adoption.

Table 8: Correlation Analysis of SEW and Digital Technology

Variables	Correlation (r)	p-value	Decision
SEW & Digital Technology	0.550	0.001	Reject H_0

Interpretation

The p-value (0.001) was less than 0.05, leading to rejection of the null hypothesis. This indicated a significant positive relationship between socioemotional wealth and digital technology adoption. The correlation coefficient (r = 0.550) suggested a moderate relationship, meaning that socioemotional wealth influences the adoption of digital technologies.

Hypothesis Four (Mediation Analysis)

H_{04}: Digital technologies do not significantly mediate the relationship between socioemotional wealth and innovation.

H_{14}: Digital technologies significantly mediate the relationship between socioemotional wealth and innovation.

Table 9: Mediation Analysis Result

Path	Beta (β)	t-value	p-value	Decision
SEW → Digital Tech	0.550	8.60	0.001	Significant
Digital Tech → Innovation	0.710	11.20	0.000	Significant
Indirect Effect	0.480	7.95	0.000	Reject H_0

Interpretation

The indirect effect p-value (0.000) was less than 0.05, indicating that the null hypothesis was rejected. This confirmed that digital technologies significantly mediated the relationship between socioemotional wealth and innovation. This implies that digital technologies serve as a mechanism through which socioemotional wealth influences innovation outcomes.

Hypothesis Five

H_{05}: Challenges do not significantly affect digital technology adoption in family firms.

H_{15}: Challenges significantly affect digital technology adoption in family firms.

Table 10: Regression Analysis of Challenges on Digital Adoption

Variable	Beta (β)	t-value	p-value	Decision
Challenges → Digital Adoption	-0.600	-6.80	0.002	Reject H_0

Interpretation

Since the p-value (0.002) was less than 0.05, the null hypothesis was rejected. This indicated that challenges had a significant negative effect on digital technology adoption. The negative beta value (-0.600) showed that an increase in challenges such as cost, lack of skills, and infrastructure issues reduced the level of technology adoption.

Summary of Findings

The research investigated the influence of digital technology on the interplay between socioemotional wealth and creativity in family enterprises. Following the data analysis and hypothesis testing, the subsequent findings were established:

The study revealed that socioemotional wealth significantly influences creativity in family enterprises. This indicates that familial values, governance, emotional bonds, and the aspiration to maintain family heritage significantly influence innovation choices. Although these elements can foster long-term orientation, they also affect the degree of risk-taking related to innovation.

The study indicated that digital technology exerted a substantial and considerable impact on innovation. The results indicated that the implementation of digital technologies, including information systems and digital platforms, augmented efficiency, advanced product and service development, and bolstered competitiveness in family enterprises. The findings revealed a substantial correlation between socioemotional richness and the usage of digital technologies. This indicates that familial values and frameworks affect the degree of digital technology adoption in family enterprises. The study revealed that digital technology substantially mediated the connection between socioemotional wealth and innovation. Digital technologies act as a conduit for family enterprises to convert their socioemotional values into innovative results, thereby mitigating the constraints linked to family control and tradition. The study ultimately revealed that obstacles included elevated costs, insufficient technical expertise, aversion to change, and inadequate infrastructure substantially impacted the adoption of digital technologies. These constraints were found to adversely affect the capacity of family enterprises to comprehensively adopt and leverage digital technologies.

Discussion

This part examined the principal findings of the study with respect to the current literature and theoretical frameworks. The initial discovery indicated that socioemotional richness significantly influenced innovation in family enterprises. This discovery corroborates the assertion of [1], who indicated that socioemotional wealth affects strategic decision-making in family enterprises. The outcome aligns with Socioemotional Wealth Theory, which asserts that family enterprises prioritise non-financial objectives, including control, identity, and emotional attachment. Although these features can promote long-term sustainability, they may also hinder innovation owing to risk aversion. This data suggests that socioemotional richness has a dual function, facilitating and limiting innovation simultaneously. The second finding indicated that digital technology exerted a substantial and significant impact on innovation. This outcome corresponds with the research of [5], who highlighted that digital transformation augments innovation and competitiveness in organisations. It also endorses the Resource-Based View, which regards digital technologies as significant strategic assets that enhance organisational success. The discovery indicates that the utilisation of digital technologies allows family enterprises to enhance efficiency, innovate products, and adapt successfully to market fluctuations. The third conclusion revealed a substantial correlation between socioemotional richness and the adoption of digital technologies. This result is consistent with the Diffusion of Innovation Theory proposed by Everett M. Rogers, which explains that organizational values and structures influence the adoption of new technologies. The discovery indicates that socioemotional richness influences the perception and adoption of digital technology in family enterprises. For example, companies with robust family governance may implement technology judiciously, but those with a long-term perspective may adopt it to ensure business continuity. The fourth conclusion demonstrated that digital technology substantially mediated the connection between socioemotional wealth and innovation. This discovery aligns with recent empirical research that emphasises the mediation function of digital capabilities in organisational success. It affirms that digital technologies serve as a conduit that transforms socioemotional wealth into innovative results. This integrates Socioemotional Wealth Theory with the Resource-Based View, indicating that although socioemotional wealth affects behaviour, digital technology furnishes the necessary tools for innovation. The fifth conclusion indicated that obstacles included elevated costs, insufficient technical expertise, opposition to change, and inadequate infrastructure substantially impacted the use of digital technologies. This discovery aligns with the research of [15] who recognised analogous obstacles to digital transformation. The implication is that despite the benefits of digital technologies, structural and organizational constraints limit their adoption in family firms, particularly in developing economies.

Conclusion

The study revealed that socioemotional wealth significantly influences creativity in family enterprises. Although it fosters long-term orientation and sustainability, it may also hinder innovation owing to risk aversion. Digital technologies were identified as a primary catalyst for creativity and a vital intermediary that converts socioemotional riches into inventive results. This indicates that family enterprises might get elevated levels of innovation by incorporating digital technologies into their operations. Nevertheless, substantial obstacles include financial restrictions, insufficient technical proficiency, resistance to transformation, and infrastructure deficiencies that impede the successful use of digital technology. The study indicated that digital transformation is crucial for fostering innovation in family enterprises, and overcoming adoption barriers is vital for attaining sustained economic success.

Recommendations

1. Family firms should balance socioemotional wealth with innovation needs by encouraging calculated risk-taking while preserving core family values.
2. Business owners should invest in digital technologies such as management software, online platforms, and data analytics tools to enhance innovation and competitiveness.
3. Training and capacity building programs should be implemented to improve employees' digital skills and competence in using modern technologies.
4. Government should provide support through policies and incentives, such as tax reliefs and digital transformation grants, to encourage technology adoption among family firms.
5. Infrastructure development should be improved, particularly in areas such as internet connectivity and power supply, to facilitate digital transformation.

Contribution to Knowledge

This study contributed to existing literature by providing empirical evidence on the mediating role of digital technologies in the relationship between socioemotional wealth and innovation. It also extended the application of Socioemotional Wealth Theory and Resource-Based View in the context of developing economies, particularly Nigeria.

Limitations of the Study

The study was limited to family firms in Ogun State, which may restrict the generalization of the findings to other regions. In addition, the use of questionnaire-based data collection may be subject to response bias.

Suggestions for Further Studies

Future studies should:

- Extend the research to other states or countries for comparative analysis
- Use longitudinal data to examine changes over time
- Explore other mediating variables such as organizational culture or leadership style
- Investigate sector-specific differences in digital technology adoption

APPENDIX: QUESTIONNAIRE

Title:

The Role of Digital Technologies in Mediating the Relationship Between Socioemotional Wealth and Innovation in Family Firms

SECTION A: DEMOGRAPHIC INFORMATION

Kindly tick (✔) the option that applies to you. Where aplicable, please specify.

1. Gender

☐ Male ☐ Female

2. Age

☐ 18–30 ☐ 31–40 ☐ 41–50 ☐ 51 and above

3. Educational Qualification

☐ SSCE ☐ OND/NCE ☐ HND/B.Sc ☐ Postgraduate

☐ Others (please specify): _____

4. Years of Business Operation

☐ 1–5 years ☐ 6–10 years ☐ 11–15 years ☐ 16 years and above

5. Business Sector

☐ Manufacturing
☐ Trading
☐ Services
☐ Others (please specify): _____

SECTION B: STUDY VARIABLES

Instruction:

Kindly tick (✔) the option that best represents your opinion.

SA	A	U	D	SD
5	4	3	2	1

1: Effect of Socioemotional Wealth on Innovation

S/N	Item	SA	A	U	D	SD
1	Family values influence innovation decisions in the firm					
2	Family control limits the firm's willingness to innovate					
3	Emotional attachment affects adoption of new ideas					
4	Preservation of family legacy influences innovation strategies					
5	Concern for family reputation affects innovation risk-taking					

2: Influence of Digital Technologies on Innovation

S/N	Item	SA	A	U	D	SD
6	Digital technologies improve innovation in the firm					
7	Technology adoption enhances product and service development					
8	Digital tools improve efficiency in innovation processes					
9	Technology supports faster decision-making in innovation					
10	Use of digital platforms increases competitiveness					

3: Relationship Between SEW and Digital Technology Adoption

S/N	Item	SA	A	U	D	SD
11	Family values influence adoption of digital technologies					
12	Family control affects decisions to adopt new technologies					
13	Emotional attachment slows adoption of digital tools					
14	Long-term family goals encourage technology adoption					
15	Family traditions affect willingness to embrace digital change					

4: Mediating Role of Digital Technologies

S/N	Item	SA	A	U	D	SD
16	Digital technologies help transform family values into innovation					
17	Technology reduces the negative effect of family control on innovation					
18	Digital tools enhance innovation despite family influence					
19	Technology bridges the gap between tradition and modernization					
20	Digital transformation strengthens innovation outcomes in family firms					

5: Challenges Affecting Digital Technology Adoption

S/N	Item	SA	A	U	D	SD
21	High cost of technology limits adoption in the firm					
22	Lack of technical skills affects digital technology usage					
23	Resistance to change from family members affects adoption					
24	Poor infrastructure limits use of digital technologies					
25	Limited financial resources hinder digital transformation					

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