



## Succession planning strategies and sustainability of family owned business in south East Nigeria

Iyke-Ofoedu Maureen Ifeoma<sup>1</sup>, Ogbonna Kenneth Egwuatu<sup>2\*</sup>, Ugwo Callistus Ezekwe<sup>3</sup>

<sup>1</sup> Department of Management, University of Nigeria, Enugu Campus Nigeria

<sup>2</sup> Department of Management, Faculty of Business Administration, University of Nigeria, Enugu Campus, Enugu, Nigeria

<sup>3</sup> Federal School of Statistics Amaechi Ulor Enugu State, Nigeria

\* Corresponding Author: **Ogbonna Kenneth Egwuatu**

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### Abstract

The study examined succession planning strategies and sustainability of family owned business in Southeast Nigeria. Specifically, the study sought to: determine the impact of mentoring succession strategy on continuity of Family Owned Businesses (FOBs) and examine the impact of external coaching succession strategy on survival of Family Owned Businesses (FOBs). The research design was descriptive survey method. Study Area was South East, Nigeria. The sample size of 388 respondents was drawn from 13,455 staff of 45 family owned businesses (FOB) in South-East Nigeria. Research questions of the study were answered using mean score and standard deviation. The hypotheses stated were tested using single regression statistics. The empirical results showed that mentoring succession strategy has significant impact on continuity of Family Owned Businesses (FOBs) in South East, Nigeria (t-statistic; 6.445; P-value; 0.000 < Sig-value; 0.05) and external coaching succession strategy has significant impact on survival of Family Owned Businesses (FOBs) in South East, Nigeria (t-statistic; 11.226; P-value; 0.000 < Sig-value; 0.05). The study recommended that founders of Family owned businesses in South-east Nigeria should embark on adequate application of strategic planning in the management succession of Family Owned Businesses (FOB) by developing and focusing on long range objectives and short term priorities through the adoption of mentoring program, talent retention strategies, executive coaching and external consultancy coaching.

**Keywords:** succession planning strategies; sustainability of family owned business; mentoring succession strategy and external coaching succession strategy

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### Introduction

Family business plays a critical role not only in developing countries like Southeast Nigeria, but worldwide since they contribute towards GDP growth, employment and in general poverty reduction and sustainable livelihoods (Idehen & Idaehor, 2021) <sup>[14]</sup>. Available literature suggests that two thirds of the world's businesses are owned and managed by family (Olagunju, Abdurraheem, Abu & Salau, 2022) <sup>[24]</sup>. In countries like Germany, about 90% of organizations are family businesses (Magasi, 2021) <sup>[19]</sup>. In the USA family businesses contribute to about 89% towards taxes, with its contribution to GDP at 64% of GDP (Ezimme & Okoli, 2017) <sup>[9]</sup>; Ayodeji, 2019) <sup>[5]</sup>, indicating the prominence of family businesses. The Southeast Asian region accounts for more than 60% of all the listed companies and they frequently outperform non-family-controlled companies. In Nigeria, small businesses form about 72% of family businesses (Imhanrenialena, 2019) <sup>[16]</sup> and contribute about one-thirds of Ghana's GDP (Oludare, Olanipekun & Oladipupo, 2016) <sup>[26]</sup>.

Family businesses are those that are run by the founder, are owned and managed by at least one family member, and are expected to be passed down to the next generation. Since the owners hold the majority of the stock in these companies, they are in charge of them (LeCounte, 2022).

The process through which management control is transferred from one family member to another is called succession planning (Ghazali, Ghani, & Rahman, 2022) <sup>[12]</sup>. Sons, daughters, wives, husbands, grandchildren, and other family members could be included in this group. Most SMEs are family-run enterprises, and a key factor in determining their survival and growth is family succession (Rod, 2019). FOB's have their place in history as they have existed for a very long time hence they are regarded as the oldest form of business. Ammad and Ghazal, (2020) <sup>[3]</sup> posits that FOB's represent the oldest and most prevalent type of business organizations worldwide. However, despite their place as the oldest and making major contributions to the economy, their survival rate appear to be appalling as only a handful of them survive more than one generation. Bewayo, (2019) <sup>[7]</sup> opines that despite the importance of FOB's to the national economy, their survival rate beyond the founder's generation is extremely low especially in Nigeria. Stating this differently, Charles, (2016) <sup>[8]</sup> posits that it is only about 30% of family-owned businesses that will survive the transition from the first generation down to the second generation and only 12% will remain after companies' transition to the third generation and these family-owned businesses are looking at only a 3% survival rate when transitioning to the fourth generation and beyond. It is estimated that less than one-third of family firms survived into the second generation and only 13 percent survived through the third generation (Sharma & Yoder, 2019) <sup>[33]</sup>. In Nigeria, this trend of firm closure is even more prevalent as Ogundele (2012) <sup>[25]</sup> posits. He states that this situation is worse in Nigeria as many FOB's, however promising and vibrant have closed down at the death of their founder.

## 1.2. Statement of the Problem

Survival of Family Owned Businesses (FOBs) is the existence and continuation of that business to the next generation and normally measured by the number of customers, number of employees, level of sales revenues, profit, level of plans implementation, level of conflicts and number of generations (Magasi, 2020) <sup>[19]</sup>. FOBs are considered as the cornerstone of the global economy due to their significant contribution to global socio-economic development, prosperity, socio-emotional wealth and stability (Ibrahim, Angelidis & Parsa, 2018; Ijaz, Armanurah and Nazlin, 2020) <sup>[15]</sup>. The FOBs create jobs, pay taxes, contribute to export and import revenues, produce goods, develop competences, and promote creativity, innovations, and entrepreneurship and transmit a culture of business ownership to the next generation (Makinde, Tayo & Olaniyan, 2018) <sup>[20]</sup>.

Despite all these advantages, literature indicates that 87% of the Southeast Nigerian FOBs collapse after the first generation (Osibanjo, 2020) <sup>[30]</sup>. Lack of management succession planning is mentioned as the major cause of the FOBs collapse in Nigeria (Nyamwanza, Mavhiki and Ganyani, 2018) <sup>[21]</sup>. Ogundele, Idris & Ogundipe, (2015) <sup>[25]</sup> argue that despite a variety of human resource factors responsible for the low survival rate of the FOBs in Southeast Nigeria, succession planning outweighs other factors. Likewise, other studies outside Nigeria indicate that the survival rate of the FOBs to the next generation is caused by either lacking succession planning or having very poorly coordinated succession planning (Olu & Chima, 2020; Olusola, 2020) <sup>[25, 29]</sup>. However, these empirical studies and

existing experience fail to answer how exactly management succession planning relates to the low survival rate of FOBs. Against the backdrops, the study aims to examine succession planning strategies and sustainability of family owned business in Southeast Nigeria.

## Objectives of the Study

The broad objective of this study is to examine succession planning strategies and sustainability of family owned business in Southeast Nigeria. The specific objectives are to:

1. Determine the impact of mentoring succession strategy on continuity of Family Owned Businesses (FOBs) in South East, Nigeria.
2. Examine the impact of external coaching succession strategy on survival of Family Owned Businesses (FOBs) in South East, Nigeria.

## Significance of the Study

This study is beneficial and important the following of group of individual and persons namely: founders of family-owned businesses, successor of family-owned businesses, management of family-owned businesses and researchers.

The outcome of this study will help founders of family-owned businesses to have effective means of gaining an understanding of the importance in dealing with and overcoming the challenges succession planning which appropriate planning for succession may entail. The findings of this study will educate owners of family businesses on how to plan for business continuity and prevent loss of family businesses that could result in poverty in the family and affect the community as well.

Findings from this study helps management of family-owned businesses seeking to come up with strategies that will aid them in successfully transition from one family generation to another while remaining highly profitable in their industry of choice.

The findings of the study will serve as a reference material for future researchers in this area. Also, the results will throw more light on examining succession planning strategies and sustainability of family owned business in Southeast Nigeria.

## Conceptual Literature

### Succession Plan Strategies

Succession planning is a process where firms plan for the future transfer of ownership (Uchenna & Nkechi, 2019) <sup>[34]</sup>. Succession planning is a dynamic process requiring the current ownership to plan the company's future and then to implement the resulting plan. In fact, it occurs when the firm owner wishes to exit from the firm, nevertheless wants the business to continue. The motive behind this is to transfer ownership of the firm to any of the family members rather than shutting down the business altogether. Succession planning is generally considered to be a unique, case-by-case process, where a one-size-fits-all mentality is simply not appropriate (Idehen & Idaehor, 2021) <sup>[4]</sup>.

Rothwell (2020) <sup>[31]</sup> defines planning for succession as a "deliberate and systematic effort by an organization to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future and encourage individual advancement". Planning for succession entails a process in which businesses plan the transferring of their ownership. It is embarked upon in instances in which although the owner of a business wishes to terminate his or her own involvement in it, nevertheless desires the business

to continue operating (Magasi, 2021) <sup>[19]</sup>.

### Family owned Businesses (FOBs)

According to Imhanrenialena, (2019) <sup>[16]</sup>, a family business is one that is owned and run concurrently or successively by at least two or more members of the same family. According to Stephen (2015), a family firm is a company that is primarily owned, run directly, or managed by at least two members of one family. Family Owned Business (FOB) just like the name implies is a business that is owned by a family. There is however, no universality in its definition despite its huge impact on the economy of nations and the number of research interest in the field. Arinze, (2022) <sup>[4]</sup>, point out that there are definition difficulties in FOB definition but it could be defined using some of the following criteria: voting control, percentage of ownership, power over strategic direction, involvement of multiple generations, and active management by family members. Thus, Bano, Omar & Ismail, (2022) <sup>[6]</sup>, opines that FOB can be defined as a business in which the family has influence or control over both the ownership and management operations.

### Sustainability of Family owned Businesses (FOBs)

Sustainability as a word is derived from 'sustain' which means the ability to maintain or to keep the existence of something intact. Sustainability is akin to the business concept of going concern. A business must be sustained and maintained for a long term for it to be termed a going concern. In resource theory, the meaning of sustainability refers to long-lasting or durable competitive advantages (Umans, Lybaert, Steijvers & Voordeckers, 2021; Ammad & Ghazal, 2020) <sup>[35, 3]</sup>, posit that the extent to which an FOB's life can be stretched while fulfilling its purpose can be termed as sustainability. A lot of factors have been observed by researchers to be contributing to the sustainability of FOB's, one of the most important is succession planning. Charles, (2016) <sup>[8]</sup>, posits that the long-term health and sustainability of any family business depend on its ability to anticipate and respond to change. This change could be in the economic landscape, in politics or legal system. The change could also be in leadership, ownership or management. The more prepared the business is to any of these changes, the better the sustainability potential of such a business.

### Contextual Literature

**Mentoring succession strategy and continuity of Family Owned Businesses (FOBs)** Mentorship is the act of developing people and arming them with the requisite skills and know-how to be successful in an area. Osibanjo, (2020) <sup>[30]</sup> opines that mentoring covers the activities often designed and encouraged by management to develop its personnel and ensure that they improve and maintain the organisation's competitive advantage. Within the context of the discussion of family business, personnel here may be relatives or children of the owner manager or even someone from outside to take over the running of the business. To Nyamwanza, Mavhiki & Ganyani, (2018) <sup>[21]</sup>, mentorship involves a process that brings together the inexperienced and experienced individuals in an attempt to enable the former to gain knowledge, self-confidence, skills as the other benefits from the later as they transit through the process. It is a system of semi-structured guidance where one person or a group of people share their knowledge, skills and experience to assist others to progress in their own lives and careers

(Ogundele, Idris & Ogundipe, 2015) <sup>[25]</sup>. From the foregoing, it can be deduced that mentoring is all about knowledge, skills and ability transfer from a superior in knowledge and skills (mentor) to a novice or person who is not as skilled as the mentor (mentee or protege). Mentor are in positions where they are able to impart knowledge that they have amassed over time to the next generation; this sharing of knowledge ensures that in some way their legacy lives on (Olu & Chima, 2020) <sup>[25]</sup>. Knowledge transfer from one generation to the next is critical to the success of FOB's. It helps to fill the gaps in learning left behind by formal education alone (Olusola, 2020) <sup>[29]</sup>.

### External coaching succession strategy and survival of Family Owned Businesses (FOBs)

External coaches refers to executive coaches for CEOs and other C-level executives that often hired from outside. This makes sense because, at the top echelons of leadership, there may simply not be someone within the organization qualified to take on the executive coaching role. Leadership coaches hired from outside are chosen based on their expertise and track record. Some executive coaches specialize in particular industries, and some businesses value those extra qualifications. Rarely will a company go wrong hiring an external coach, though they can be expensive (Wahome & Ogolla, 2021) <sup>[36]</sup>.

Coaching is beneficial for the organization at multiple aspects. It brings out creativity, facilitate decision making process and create self-reflections to drive the success of an employee and organization (Achi & Sleilati, 2016) <sup>[1]</sup>. Although coaching as an intervention has gained popularity, there is still limited evaluation of coaching programs by organizations (Fazel, 2018) <sup>[10]</sup>. Gettman, Edinger and Wouters, (2019) <sup>[11]</sup> opined that 73% of organizations in Malaysia expect to see a raise in their business activities 2018. The incremental trend may exert huge pressure on organizations and the capability of their employees; this spell the importance of having well trained, qualified and efficient workforce (Grover & Furnham, 2016) <sup>[13]</sup>.

### Theoretical Literature

#### Stewardship Theory

According to this view, company executives may be family or non-family members (Idehen and Idaehor, 2021) <sup>[14]</sup>. The stewardship frame work is highlighted by Olagunju, Abdulraheem, Abu and Salau, (2022) <sup>[24]</sup> as one that acknowledges that family leaders are devoted stewards of their enterprises, contributing to company performance through citizenship behaviors. The ability to develop a legacy and network that can be passed down to subsequent generations is made possible by shared ancestry, family identity by name, and a shared past. These factors all strengthen a sense of community (Magasi, 2021) <sup>[19]</sup>. The approach emphasizes the firm's corporate character's defining characteristics as goodwill, trust, and reputation. As proponents of the stewardship theory, Ezimma and Okoli, (2017) <sup>[9]</sup> assert that family business executives are motivated to pursue stable growth for the company and long-term success by activities that advance organizations' interests and a sense of shared responsibility among family members. According to Ayodeji, (2019) <sup>[5]</sup>, who makes a contribution to the idea, family leaders are seen as the company's dependable endowments because of their dedication to the success of all stakeholders. Family members' shared beliefs

and their longer tenure at the company than non-family members provide the enterprise stability. This fosters the growth of strong connections with stakeholders outside of the company while maintaining personal business relationships (Imhanrenialena, 2019) <sup>[16]</sup>. Oludare, Olanipekun & Oladipupo, (2016) <sup>[26]</sup> advocated the succession model of leadership as a version of the stewardship theory, wherein firms are encouraged to grow leaders inside rather than hire new people from outside the company. An internal process is used to promote corporate executives in order to protect the strategic direction and focus of the company. The approach encourages the company to set up management retirement by default, moving down the management hierarchy from the top to the bottom, in order to maintain an uninterrupted flow of coordination and communication between the various project teams.

### Empirical Review

Ideofor, Okeke and Okeke, (2023) <sup>[17]</sup> examined the succession planning and family business sustainability in medium and large scale enterprise in Anambra state. The study has the following specific objectives; determine the effect of explicit education on recruitment in medium and large scale family owned business in Anambra state, Nigeria, examine the nature of relationship between hierarchical coaching and innovation in medium and large scale family business in Anambra state. The total population for the study is one hundred and fifteen enterprises (115) that are registered with Chamber of Commerce, Industry, Mines and Agriculture (Nnewi, Onitsha and Awka) Anambra state, Nigeria. The method of data analysis percentage table, correlation and regression analysis. The study found that explicit education has positive relationship on recruitment in family business in Anambra state, Nigeria ( $r^2=0.132$ ,  $p=0.016$ ), there is a positive relationship between hierarchical coaching and innovation in family business in Anambra state Nigeria ( $t=4.922$ ,  $p=0.000$ ), dynamic successor has positive significant effect on work efficiency in family business in Anambra state, Nigeria ( $t=3.262$ ,  $p=0.001$ ). The study recommends that: The founder should give the successor opportunity to be independent to act and willingly develop love to manage the business through learning the business operations by doing.

Olagunju, Abdulaheem, Abu and Salau, (2022) <sup>[24]</sup> conducted a study to examine succession planning and sustainability of family owned businesses in Lagos State. Specifically, the study sought to investigate the effect of successor literacy, successor selection and successor training on sustainability of family owned businesses in Lagos State. The study used a cross-sectional survey with a descriptive methodology to gather data from 145 cleaning service companies registered with the Cleaning Practitioners Association of Nigeria (CPAN) and operating in the state of Lagos. The data analysis techniques was multiple regression was used to test the hypothesis. The study discovered that family-owned janitorial service businesses in Lagos State applied succession planning initiatives to a moderate extent. Very few of the companies showed any indication that they were conducting succession planning. The survey found that only a small number of organizations used various succession planning strategies, such as ensuring that work continues even without the founder, resolving conflicts, sharing vision, and educating successors. The study recommended that family business owners to always encourage the capability

and dedication of their successors by exposing them to training and involvement in the business.

Idehen and Idaehor, (2021) <sup>[14]</sup> conducted a study to ascertain relationship between small and medium enterprises and family owned business succession planning in Benin City. The objective of the study is to determine if family business in Benin City has succession plan. The study examined Small and Medium Enterprises (SMEs) and family owned business succession planning in Benin City. 70% of SMEs close shop and do not survive to the next generation or scarcely to the third generation at the demise or retirement of the founder due to lack of succession planning in Nigeria. The research design is both exploratory and quantitative. Primary data were elicited through the use of questionnaire. The data were analyzed and presented using statistical technique such as tables and percentages. The result revealed that most family business have succession plan. The perceived succession plan may be in principle but not in practice. Most organizations have no ideas of model of succession, so succession plan could be poorly implemented. Based on the findings, it was recommended that there must be deliberate policies in terms of training and exposure for the mentee initiation, that make it obvious that he/she is next in line.

Ezemma and Okoli, (2017) <sup>[9]</sup> examined the place of succession planning in the sustainability of selected Family Owned Businesses (FOB's) in Anambra State. Specific objective of the study was to examine the type of relationship that exists between mentoring and sustainability of selected Family Owned Business in Anambra State and determine if there is a difference between the perceptions of selected incorporated FOB's and unincorporated FOB's on succession planning in Anambra State. Survey research design was adopted for the study. The population of the study consisted of 275 FOB's comprising of 50 incorporated FOB's and 225 unincorporated FOB. The data analytical technique was Pearson's Product Moment Correlation Coefficient to test for relationship and t-test to examine the mean difference. Findings revealed that mentorship has a high positive significant relationship with sustainability ( $r = .858$   $p < .05$ ) and that there is no statistical difference between the perceptions of selected incorporated FOB's and unincorporated FOB's on succession planning in Anambra State ( $t = -218$   $p > .05$ ). The study recommended that FOB's should see mentorship as a process that is gradual and not rushed towards the end; the owner/managers of FOB's should ensure that they first of all ensure that they make the people who will take over to be genuinely interested in the business.

### Gaps in Literature Reviewed

The abundance of scientific literature on relative study like the understanding succession planning as a combating strategy for turnover intentions in Nigeria used chi-square method of data analysis which is outdated statistics and proxies variables of most research were wrongly selected. This study wants to use single regression qualitative research method and descriptive survey research design determine the impact of mentoring succession strategy on continuity of Family Owned Businesses (FOBs) and examine the impact of external coaching succession strategy on survival of Family Owned Businesses (FOBs). This is to bridge the gap that is lacked in the previous studies.

### Methodology

The research design was descriptive survey method. Study

Area was Study Area was South East, Nigeria. The sample size of 388 respondents were drawn from population of 45 family owned businesses (FOB) in South-East Nigeria with 13,455 total numbers of staff. The selected Family Owned Businesses (FOB) in South East, Nigeria which were covered in the study were Rokana Industries Plc, Cutix Plc, Juhel Nigeria Limited and Mikko Plastics Industries Limited. The choice for only executive staff and senior staff of the selected family owned business in South-east Nigeria was because of

homogeneity nature of production function. The list of family owned business in South-east Nigeria. The study used structured questionnaire to obtain data. Research questions of the study were answered using mean score and standard deviation. The hypotheses stated will be tested using single regression analysis. Methods of data presentation was table. Statistical Package for Social Science (SPSS) is computer Application Software was used for the data analysis.

**Data Presentation**

**Table 1:** Comprehensive Demographic distribution of the Respondents

Title	Frequency	Percentage
Questionnaire Distributed	388	100%
Returned Questionnaire	358	92%
Not Returned Questionnaire	30	8%
<b>Gender</b>		
Female	45	12.6%
Male	313	87.4%
<b>Age Bracket</b>		
20-30 Years	153	42.7%
31-40 Years	111	31.0%
41-50 Years	66	18.4%
51Years – above	28	7.8%
<b>Marital Status</b>		
Married	223	62.3%
Single	125	34.9%
Widow/widower	7	1.9%
Divorce	3	0.8%
<b>Educational Qualification</b>		
HND/B.sc	230	64.2%
MBA/M.sc	125	34.9%
Ph.D	3	1.10%

Sources: Field Survey, 2023

Three hundred and eighty eight (388) copies of questionnaire were designed and distributed to the respondents. Out of the 388 Questionnaires distributed, 358 (92%) were completed and returned while 30 (08%) were not returned. Therefore, 90 percent respondents were a good representation. The table showed the respondents profile in frequency and percentage distribution of gender, age bracket, marital status and

educational qualification.

**Data Analysis**

**Question One:** What is the impact of mentoring program succession strategy on continuity of Family Owned Businesses (FOBs) in South East, Nigeria?

**Table 2:** Respondents mean rating on what is the impact of mentoring program succession strategy on continuity of Family Owned Businesses (FOBs) in South East, Nigeria?

S/N	Question Items	VGE (5)	GE (4)	ME (3)	LE (2)	VLE (1)	Total	Mean	SD
1	The succession strategy brings together the future leaders and experienced individual in an attempt to enable the future leaders to gain knowledge, self-confidence and skill to run family business	900	400	144	46	7	1497	4.18	0.0030
		180	100	48	23	7	358		
		50%	30%	13%	6%	1%	100%		
2	The succession strategy provides semi-structured guidance where one person or group of people share their knowledge, skills and experience to assist future leaders to progress in lives and careers	630	632	192	40	10	1504	4.20	0.0030
		126	158	64	20	10	358		
		35%	44%	18%	5%	2%	100%		
3	The succession strategy ensure knowledge transfer from one generation to the next for success of family business	1000	404	135	18	3	1560	4.36	0.0033
		200	101	45	9	3	358		
		59%	28%	13%	2%	0.8%	100%		
4	The succession strategy provides knowledge that the ongoing generation has gain in the past to the next generation to ensure they have competitive advantage	950	444	105	24	10	1533	4.28	0.0032
		190	111	35	12	10	358		
		53%	31%	9%	3%	2%	100%		
Grand Mean								4.255	0.0031

Source: Field Survey, 2023

This table showed the opinion of respondents on what is the impact of mentoring program succession strategy on

continuity of Family Owned Businesses (FOBs) in South East, Nigeria. The respondents are in agreement with all the

items. The study thereby revealed that mentoring succession strategy has significant impact on continuity of Family Owned Businesses (FOBs) in South East, Nigeria since succession strategy provides semi-structured guidance where one person or group of people share their knowledge, skills and experience to assist future leaders to progress in lives and

careers (The grand mean 4.255 was greater than the cutoff point 3).

**Question Two:** What is the impact of external coaching succession strategy on survival of Family Owned Businesses (FOBs) in South East, Nigeria?

**Table 3:** Mean rating of responses of respondents on what is the impact of external coaching succession strategy on survival of Family Owned Businesses (FOBs) in South East, Nigeria?

S/N	Question Items	VGE (5)	GE (4)	ME (3)	LE (2)	VLE (1)	Total	Mean	SD
1	The succession strategy provides the medium to facilitate professional growth of future leader by sharing the knowledge insight that has been learned the years	630	632	192	40	10	1504	4.20	0.0030
		126	158	64	20	10	358		
		35%	44%	18%	5%	2%	100%		
2	The succession strategy provides systemic and deliberate effort to retain talented person to fill high level position without favouritism	580	632	222	26	17	1477	4.13	0.0029
		116	158	74	13	17	358		
		32%	44%	21%	3%	2%	100%		
3	The succession strategy provides medium to fill the leadership pipeline with high-performing leaders in the future	900	400	144	46	7	1497	4.18	0.0030
		180	100	48	23	7	358		
		50%	30%	13%	6%	1%	100%		
4	The succession strategy helps to fill the gaps in learning left behind by formal education only	985	416	111	24	8	1544	4.31	0.0032
		197	104	37	12	8	358		
		55%	29%	10%	3%	2%	100%		
<b>Grand Mean</b>								<b>4.205</b>	<b>0.0030</b>

Source: Field Survey, 2023

This table showed the opinion of respondents on what is the impact of external coaching succession strategy on survival of Family Owned Businesses (FOBs) in South East, Nigeria. The respondents are in agreement with all the items. The study thereby revealed that external coaching succession strategy has significant impact on survival of Family Owned Businesses (FOBs) in South East, Nigeria since succession strategy provides systemic and deliberate effort to retain talented person to fill high level position without favouritism (The grand mean 4.205 was greater than the cutoff point 3).

**Test of Hypotheses**

The two hypotheses were formulated for this study and will be tested and a decision taken is based on the rule below.

**Decision rule: Reject H<sub>0</sub> if P-value > 0.01**

**Hypothesis One**

H<sub>2</sub> = Mentoring succession strategy has no significant impact on continuity of Family Owned Businesses (FOBs) in South East, Nigeria.

**Table 4**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.931 <sup>a</sup>	.866	.865	.26055

a. Predictors: (Constant), Mentoring succession strategy

**Table 5**

ANOVA <sup>a</sup>						
Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	57.077	1	57.077	18.604	.000 <sup>b</sup>
	Residual	1095.276	357	3.068		
	Total	1152.353	358			
a. Dependent Variable: Continuity of family owned Business						
b. Predictors: (Constant), Mentoring succession strategy						
Coefficients <sup>a</sup>						
Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta			
1	(Constant)	1.614	.089		18.111	.000
	Mentoring succession strategy	.529	.082	.931	6.446	.000

a. Dependent Variable: Continuity of family owned Business

In testing this hypothesis, mentoring succession strategy was regressed against continuity of Family Owned Businesses. The result of the single-regression analysis showed the model to determine the impact of mentoring succession strategy on continuity of Family Owned Businesses (FOBs) in South East, Nigeria.

**Continuity of family owned business = 1.614 + 0.529 Mentoring succession strategy**

The empirical result showed that the coefficient of mentoring succession strategy has positive effect on continuity of Family Owned Businesses; it means that mentoring succession strategy has positive and direct effect on Family

Owned Businesses. The results of the t – statistics denoted that the coefficient of mentoring succession strategy was statistically significance. This is because observed values of t – statistics (6.446) was greater than its P-values (0.000). The results of the F – statistical test showed that the overall regression of the hypothesis two was statistically significance. This was because observed value of the F – statistics (18.604) was great than its P-value (0.000). Again, our empirical result showed that the Pearson product moment correlation analysis (r) was 0.931. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and concluded that mentoring succession strategy has significant impact on continuity of Family Owned Businesses (FOBs) in South East, Nigeria.

**Test of Hypothesis Two**

H<sub>2</sub> = External coaching succession strategy has no significant impact on survival of Family Owned Businesses (FOBs) in South East, Nigeria.

**Table 6**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.931 <sup>a</sup>	.866	.865	.26055

a. Predictors: (Constant), External coaching succession

**Table 7**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
S/N	Question Items	VGE				
	Residual	1702.176	357	4.768		
	Total	1745.965	358			

a. Dependent Variable: Survival of family owned business  
b. Predictors: (Constant), External coaching succession

**Table 8**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.418	.075		5.568	.000
	External coaching succession	.201	.017	.969	11.826	.000

a. Dependent Variable: Survival of family owned business

In testing this hypothesis, storage and material handling was regressed against rapid response of transportation firms. The result of the single-regression analysis showed the model to examine the impact of external coaching succession strategy on survival of Family Owned Businesses (FOBs) in South East, Nigeria.

**Survival of family business = 0.418 + 0.201 External coaching succession strategy**

The empirical result showed that the coefficient of external coaching succession strategy has positive effect on survival of Family Owned Businesses (FOBs); it means that external coaching succession strategy has positive and direct effect on survival of Family Owned Businesses (FOBs). The results of the t – statistics denoted that the coefficient of external coaching succession strategy was statistically significance.

This was because observed values of t – statistics (11.826) was greater than its P-values (0.000). The results of the F – statistical test showed that the overall regression of the hypothesis three was statistically significance. This was because observed value of the F – statistics (9.184) was greater than its P-value (0.000). Again, our empirical result showed that the Pearson product moment correlation analysis (r) was 0.931. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and concluded that external coaching succession strategy has no significant impact on survival of Family Owned Businesses (FOBs) in South East, Nigeria.

**Discussion of Findings**

**Impact of mentoring succession strategy on continuity of Family Owned Businesses (FOBs) in South East, Nigeria.**

The findings of the study revealed that mentoring succession strategy has significant impact on continuity of Family Owned Businesses (FOBs) in South East, Nigeria since succession strategy provides semi-structured guidance where one person or group of people share their knowledge, skills and experience to assist future leaders to progress in lives and careers (t-statistic; 6.445; P-value; 0.000 < Sig-value; 0.05). The outcome of the study is in line with the study of Olagunju, Abdulraheem, Abu and Salau, (2022) <sup>[24]</sup> conducted a study to examine succession planning and sustainability of family owned businesses in Lagos State. Specifically, the study sought to investigate the effect of successor literacy, successor selection and successor training on sustainability of family owned businesses in Lagos State. The study used a cross-sectional survey with a descriptive methodology to gather data from 145 cleaning service companies registered with the Cleaning Practitioners Association of Nigeria (CPAN) and operating in the state of Lagos. The data analysis techniques was multiple regression was used to test the hypothesis. The study discovered that family-owned janitorial service businesses in Lagos State applied succession planning initiatives to a moderate extent. Very few of the companies showed any indication that they were conducting succession planning. The survey found that only a small number of organizations used various succession planning strategies, such as ensuring that work continues even without the founder, resolving conflicts, sharing vision, and educating successors.

**Impact of external coaching succession strategy on survival of Family Owned Businesses (FOBs) in South East, Nigeria**

The findings of the study revealed that external coaching succession strategy has significant impact on survival of Family Owned Businesses (FOBs) in South East, Nigeria since succession strategy provides systemic and deliberate effort to retain talented person to fill high level position without favouritism (t-statistic; 11.226; P-value; 0.000 < Sig-value; 0.05). The outcome of the study is not in line with the study of Jidefor, Okeke and Okeke, (2023) <sup>[17]</sup> that examined the succession planning and family business sustainability in medium and large scale enterprise in Anambra state. The study has the following specific objectives; determine the effect of explicit education on recruitment in medium and large scale family owned business in Anambra state, Nigeria, examine the nature of relationship between hierarchical coaching and innovation in medium and large scale family business in Anambra state, Nigeria and determine the effect

of dynamic successor on work efficiency in medium and large scale family business in Anambra state, Nigeria. The total population for the study is one hundred and fifteen enterprises (115) that are registered with Chamber of Commerce, Industry, Mines and Agriculture (Nnewi, Onitsha and Awka) Anambra state, Nigeria. The method of data analysis percentage table, correlation and regression analysis. The study found that explicit education has positive relationship on recruitment in family business in Anambra state, Nigeria ( $r=0.132$ ,  $p=0.016$ ), there is a positive relationship between hierarchical coaching and innovation in family business in Anambra state Nigeria ( $t=4.922$ ,  $p=0.000$ ), dynamic successor has positive significant effect on work efficiency in family business in Anambra state, Nigeria ( $t=3.262$ ,  $p=0.001$ ).

### Summary of Findings

#### The following are the major findings of the study

1. The findings of the study revealed that mentoring succession strategy has significant impact on continuity of Family Owned Businesses (FOBs) in South East, Nigeria since succession strategy provides semi-structured guidance where one person or group of people share their knowledge, skills and experience to assist future leaders to progress in lives and careers (t-statistic; 6.445; P-value; 0.000 < Sig-value; 0.05).
2. The findings of the study revealed that external coaching succession strategy has significant impact on survival of Family Owned Businesses (FOBs) in South East, Nigeria since succession strategy provides systemic and deliberate effort to retain talented person to fill high level position without favouritism (t-statistic; 11.226; P-value; 0.000 < Sig-value; 0.05).

### Conclusion

The study concluded that succession planning has significant effect on operations of Family Owned Businesses (FOB) in South East, Nigeria. Mentoring program succession strategy brings together the future leaders and experienced individual in an attempt to enable the future leaders to gain knowledge, self-confidence and skill to run family business, the succession strategy provides semi-structured guidance where one person or group of people share their knowledge, skills and experience to assist future leaders to progress in lives and careers and the succession strategy ensure knowledge transfer from one generation to the next for success of family business. The succession strategy provides the medium to facilitate professional growth of future leader by sharing the knowledge insight that has been learned the years, the succession strategy provides systemic and deliberate effort to retain talented person to fill high level position without favouritism and succession strategy provides medium to fill the leadership pipeline with high-performing leaders in the future.

### Recommendation

Based on the findings of this study, the following recommendations were made.

1. Founders of Family owned businesses in South-east Nigeria should embark on adequate application of strategic planning in the management succession of Family Owned Businesses (FOB) by developing and focusing on long range objectives and short term priorities through the adoption of mentoring program,

talent retention strategies, executive coaching and external consultancy coaching.

2. The Federal ministry of commerce and industry should develop capacity training for the awareness and adoption of strategic planning in the management and ownership succession of Family Owned Businesses (FOB) in South-east Nigeria. This will enable Family Owned Businesses (FOB) to survive their first, second, third generation and so on.

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