

THEORETICAL AND PRACTICAL ISSUES ASSOCIATED WITH SUCCESSION MANAGEMENT IN SMALL BUSINESSES IN SOUTH-EAST, NIGERIA

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Abstract

This study investigated the theoretical and practical issues associated with succession management in small businesses in South-East, Nigeria. Succession management defined as a systematic approach to build a leadership pipeline/ talent pool to ensure leadership continuity, developing potential successors in ways that best fit their strengths, identifying the best candidates for categories of positions and concentrating resources on the talent development process yielding a greater return on investment. The research work anchored on the trait theory of leadership proposed by Thomas Carlyle in mid 1800s. The theory states that people are born with leadership traits. The study adopted a descriptive survey research method and its participants were selected from five SMEs across South-East region of Nigeria, based on their number of years of operation, staff strength, and branch locations. A sample size of 40 respondents was calculated using the Taro Yamani Formula. The questionnaire was designed, using the 5-point Likert scale and was administered manually to respondents. The study adopted Pearson product moment correlation coefficient to co-integrate the hypotheses. This revealed that succession management had a positive correlation ($r = 0.934$, $p\text{-value} < 0.05$) with corporate sustainability amongst SMEs in South - East, Nigeria. Hence, the finding is that most of the owners of small business enterprises in south east and in Nigeria generally, have little to no idea of succession planning. Even those who claim to have idea of it are not making any conscious plan for it. They believe that nature will take its course and since they have children most especially when they have male children, the first son will automatically carry on the business after them and the fear of losing the grip or ownership of the business after disengagement. The study concluded that in respect of strategic recruitment, succession management attracts and assists to retain a high performing skilled labour force. Thus, Successful succession planning is important for the survival and growth of a business which will also result to economic growth. Irrespective of the barriers to succession planning, a failure to plan for it will jeopardize the future of the business enterprise. Small businesses that have attained a reasonable growth in terms of size and capital should be encouraged to get incorporated.

Keywords: succession management; leadership; organization; small business; workforce.

Introduction

Succession management as a deliberate and systematic effort by an organization to develop intellectual and knowledge capital for the future and to encourage individual advancement so as to ensure the identification, development and

long-term retention of talented individuals (Caudron and Rothwell, 1999). This implies that succession management is closely related to management development because both of them seek to equip manager with the ability to face the challenges of tomorrow (Okafor, 2014). One of

the aims of succession management planning is to match an organization's current competencies to its future needed competencies (John, 2005). Succession planning defined as a systematic approach to build a leadership pipeline/ talent pool to ensure leadership continuity, developing potential successors in ways that best fit their strengths, identifying the best candidates for categories of positions and concentrating resources on the talent development process yielding a greater return on investment (Karanja, 2015).

Rothwell (2005) speculates that an effective succession management effort is that which is capable of building talent from within and ensures leadership continuity in key positions.

It also encourages individual advancement which is designed to ensure the continued effective performance of an organization, division, department, or workgroup by making provision for the development, replacement, and strategic application of key people over time.

Succession management is a comprehensive approach for identifying and developing a position in an organization. It is a process, which involves the planning, selection and preparation of the next generation of managers, transition in management responsibility, gradual decrease in the role of previous managers and final discontinuation of any input by the previous manager (Erven 2007).

It is more than filling the top spots, a smart management strategy that can drive retention of talent throughout the organization and make sure that the organization has the skills it needs in place, or on hand, to respond to the rapidly shifting sands that make up today's business environment (Hills, 2009). Besides, succession Management is about taking pre-determined steps to make sure that business continues to move even when the founder or generations of managers should exit the business (Onyima, 2011).

The process of preparing to hand over control of the business to others in a way that is least disruptive to the business operation and values. It shows that succession management is an ongoing process and this means it should take a long time, spanning at least five years before retirement of the principal. Succession management aims at transferring information

and knowledge from the founder to the successor of the business as the founder grooms the successor on how to run the business to result in the continuation of the business after the death or retirement of the founder. Succession management is a process of deciding how and when the management, ownership and control of the business will be transferred to subsequent owners (Sikomwe, Mhonde, Mbetu, Mavhiki, & Mapetere, 2012). It ensures the identification, development, and long-term retention of talented individual (Schoonover, 2011).

Small enterprises have long been considered as the engine of the economy. Observable evidence suggests that small and medium scale businesses dot every of our economic and geographical landscape contributing immensely to its consistent economic growth and development. Small and medium scale enterprises (SMEs) contributed about 48% to the national GDP, accounting for 96% of businesses and 84% of jobs, 50% of industrial jobs and approximately 90% of the manufacturing firms in Nigeria (NBS, 2014). Small businesses are known to generate employment, income and revenue to employees, owners and to the government respectively (Okafor, 2014).

Despite these great contributions, research showed that less than one-third of these businesses are continued to the second generation and less than half make it to the third generation in case of death or retirement of the founders (Braham miller et al, 2004). Apart from the known challenges of businesses such as decrepit infrastructure, inconsistent government policies, double taxation among many others, which are contributory to business failure in Nigeria, the inadequate succession management process is a serious issue militating against the survival and continuity of these businesses.

Owners of small businesses can improve their chances of the business survival by setting the right governance structure in place by starting educational and mentorship process (Ifekwem, 2018).

In the light of this course, sustainability is first and foremost a business strategy. Thus, building that strategy begins with looking closely and thoughtfully at the business, then using what is learned to operate for long-term success,

meeting the company's current needs in ways that help ensure that future generations can meet theirs. Therefore, sustainability is much more than the foot prints a company's operations have today. It's a path to chart for the future that brings together smart, disciplined management of financial resources, responsible use of natural resources and strategic investment in human resources both within the company and in the communities in which it serves (Hakensen, 2017).

The essence of sustainability in an organizational context is "the principle of enhancing the societal, environmental and economic systems within which a business operates" (Chartered Institute of Personnel and Development, 2012). This introduces the concept of a three-way focus

for organizations striving for sustainability. This is reflected also by Colbert & Kurucz (2007), who state that sustainability "implies a simultaneous focus on economic, social, and environmental performance." Perhaps, organizational sustainability is more related to organizational culture rather than specific policies and procedures (Wales, 2013).

Sustainability should be viewed as an umbrella concept that encompasses environmental quality,

social justice, business ethics, governance, employee health and safety, diversity and philanthropy.

Looked at this way, it's clear that sustainability becomes an integral part of any company's business strategy. How a company manages its three major resources-the "people, planet, profit," provides the basis for receiving society's "permission to operate"; building the "bank of goodwill" for when times are tough and, most important, a strategic approach to sustainability that can have a positive impact on a company's bottom line (Hakensen, 2017).

Sustainability entails the capacity of an organization or state to maintain or keep in existence with clear intentions to improve on a particular socio-economic and political phenomenon to achieve set goals of such organization at the moment, without jeopardizing the interest of the future generations (Nnaeto & Ndoh, 2020).

The key independent variables of the succession management concept of human resource planning such as talent retention, career development, nepotism, and organisational conflict, play a crucial role in improving the organizational survival.

Majority of the small businesses in Nigeria are family owned, over 60% of all firms in most nations are classified as family businesses according to an Irish report (Olubiyi, 2021). Succession planning has been recognized as an important parameter for these family businesses survival. However, little to no attention has been given to succession planning in small businesses in South-East Nigeria. The specific objective of this paper is to examine the theoretical and practical issues associated with succession management in small businesses in South-East, Nigeria. Other objectives are as follows

- i. To examine the practical processes of good succession management.
- ii. To determine strategies to enhance the survival of SMEs
- iii. To examine the challenges of succession planning in small businesses

Small and medium scale enterprises have contributed immensely to world economy, they play significant role in terms of creating employment, entrepreneurship, community development, economic growth and development (Ofordraku & Nwakoby, 2015). These businesses control 80-90% of national businesses. Inadequate succession planning process has been the major pitfall of these businesses in Nigeria and in the world at large, these has been a source of concern for academics and consultants in this area.

Less than one-third of these small scale businesses survive into the second generation and only about 13% make it to the third generation (Ofordraku & Nwakoby, 2015). Experience have shown that most of this kind of business go into extinction and become part of our economic history as soon as the founder dies or becomes incapacitated arising due to lack of efficient succession management (Okafor, 2014).

These businesses fold-up mostly because of poor succession planning processes such as poor mentorship, lack of training and management

support, nepotism, bridge in communication and so on (Okeke, 2021). Although different strategies have been adopted by modern business owners to curb this weakness but the issue of succession still pose as a strong blockage to trans-generational survival of family owned businesses in Nigeria. It is on this ground that the researcher seeks to examine the theoretical and practical issues regarding succession management in small businesses in South-East Nigeria.

This study is important for the following reasons

1. The paper will enable business owners especially in Nigeria see the need for proper succession management planning.
2. It will enable the government put in their best to encourage small businesses to set up effective and efficient succession planning process for their business survival thereby, increasing their contributions towards the development of the nation.
3. It will be beneficial future researchers as reference material.
4. The seminar paper is important for the completion of the researcher's master's degree studies.

LITERATURE REVIEW

Conceptual Framework

Concept of succession management

Several researchers in the field of management have come up with lots of comprehensive definitions of the term succession management. Caudron and Rothwell (1999), sees succession management as a deliberate and systematic effort by an organization to develop intellectual and knowledge capital for the future and to encourage individual advancement so as to ensure the identification, development and long-term retention of talented individuals. This implies that succession management is closely related to management development because both of them seek to equip manager with the ability to face the challenges of tomorrow (Okafor, 2014). One of the aims of succession management planning is to match an organization's current competencies to its future needed competencies (John, 2005).

Succession planning was defined by Chua & Chrisman (as cited in Karanja, 2015) as a systematic approach to build a leadership pipeline/ talent pool to ensure leadership continuity, developing potential successors in ways that best fit their strengths, identifying the best candidates for categories of positions and concentrating resources on the talent development process yielding a greater return on investment. Succession management planning should begin when the business owner or CEO is between the age of 45 and 50, if he or she desire to retire at the age of 65 because it can take more than two years to build an effective and efficient succession plan and implementing it can take up to ten years. Therefore, the plan must be carefully structured to fit the company's situation and goals (MuchiriMakokha&Gichihi, 2017).

It is the process of transitioning the management and the ownership of the purpose of continuity, profitability and longevity. It is about positioning the business in such a manner that it becomes an institution with the right internal and strategic frameworks, capable of outlasting itself. This help to increase the availability of experienced and capable employees that are prepared to assume major roles as they become available. A survey done by PWC on family business in 2021 shows that 55% of family businesses have a documented vision and written purpose statement, 30% have succession plans, and 29% say there is a resistance to change.

Nabuife & Okoli, (2017) define succession planning as making provision for the development, replacement and strategic application of key personnel or owner(s) overtime and requires the identification of the organization's core values, vision, mission, strategic plans etc. it is a systematic approach to identifying, selecting and developing key employees and talented new hires to assume critical roles and prepare the organization for the future. This ensures that skilled and engaged people fill key leadership roles. It enables organizations to place the right people with the right skills in the right positions at the right time. There are two types of succession plans (John, 2005 & Ducker 1985); Long-term succession plans and Emergency succession plans.

* **Long-term succession plan:** this kind of succession plan does not happen overnight; it requires conscious steps in order to properly groom the next leader of the business. If there is someone whom the current leader has in mind to take over from him/her, he has to start preparing the person in advance of the transition. Succession plan should be reevaluated constantly to incorporate the changes in the company and its people.

* **Emergency succession plans:** it is important to have emergency succession plans because unexpected occurrences. A leader may need to be replaced unexpectedly due to sudden illness or even death, and the chosen successor is yet to be ready. This help to make sure the business is not scrambling.

The concept of Small Business Enterprises

Small business is the oldest form of business enterprises as such; several attempts have been by authors to comprehensively define it. There are different parameters used to describe small business across the globe and this resulted to different definition. Nevertheless authors have employed capital base, asset base, market size, and number of employees as parameters to categorize and define small businesses. Agwu, (2011) says that small business is used to describe an organized economic activity that is run, managed and directed by a single or few individuals because of limited scope of the business and the small-scale of their production. World bank define small businesses as those business organizations that have less than 50 staff on annual average payroll with total financial assets of less than \$3 million (#1.29billion) and average annual turnover of \$3 million (#1.29billion). The Central Bank of Nigeria (CBN) has defined small and medium enterprises as entities with asset base of #5 million and not more than #500 million excluding land and buildings with employees between 11 and 200. The Small and Medium Enterprises Agency of Nigeria (SMEDAN) definition uses similar criteria as the Central Bank of Nigeria but with the same capital thresholds. It placed the employee number for small enterprises at between 10 and 49 with asset base of between 5 and 50 million naira (excluding land and building).

Nigeria Commercial banks use the account turnover criteria to classify business entities. For small business enterprises category, the banks place the medium turnover at #60 million, (2016). The Companies and Allied Matters Act (CAMA) of 1990, defined small business as one with annual turnover of not more than #2million and net assets value of not more than #1million. Small scale business was defined by the Nigeria Bank for Commerce and Industry (NBCI) in 1985, as a firm with assets (including working capital but excluding land) not exceeding #75000 (seven hundred and fifty thousand naira). The European commission first defined SMEs in 1996 based on three factors

- i. Headcount
- ii. Annual turnover
- iii. Annual balance sheet total.

And in 2003, it defined small scale business as one with less than 50 employees, turnover of not more than 2million and balance sheet of not more than 10million. And medium scale business as one with less the 250 employees, turnover of less than 50million and balance sheet of less than 43million.

The Centre for Industrial Research and Development (CIRD) of Obafemi Awolowo University, Ile-ife says an SME is any enterprise with capital base not exceeding #250000 and employing, on full-time basis, 50 workers or less. In the current industrial policy of Nigeria Small and Medium Enterprises (SMEs) are defined on the basis of the number of employees. For small scale enterprises is one that have between 11 and 100 workers, while medium scale enterprises have between 101 and 300 workers. The diversity in definitions affirms the words of Olorunshola (2003) and Ogunkuye (2004), that the concept of SMEs is dynamic and relative.

List of some small and medium enterprises in Nigeria

There are over 71,288 small enterprises and over 1,793 medium enterprises in Nigeria. Here is a list of leading SMEs in Nigeria as compiled by Olufemi 2019.

1. Garment care LTD
2. The baby lounge LTD
3. Lea bridge Crèche and preparatory School
4. Nuli foods

5. VERITAS Caterers LTD
6. ASKDAMZ
7. Adura O Fitness and Wellness
8. The lady cobbler and company LTD
9. Linda Ikeji Blog
10. Eventful Nigeria LTD
11. House of Tara International
12. Mai Atafo
13. Deola Sagoe
14. St Margaret Couture

Some small business enterprises in Southeast Nigeria;

1. Top Hotels

- i. Cirenes Hotel Abakaliki
- ii. Spelling Garden Hotels Aba, Abia State
- iii. Vienna Hills Hotel Abakaliki
- iv. Bon Hotel, Awka
- v. Rento Hotel and Suites, Owerri
- vi. Roselife Hotel Owerri
- vii. Best Western Plus Enugu
- viii. Dolly Hills Hotels, Onitsha

2. Fashion Homes

- i. Fado Fashion Home, Owerri
- ii. De Samdinero Home of Fashion Owerri
- iii. Immaculate Fashion Home Ventures, Aba
- iv. Dianne's fashion Home Enugu
- v. Sir Walter Fashion House Akwa
- vi. C.M Fashion House Enugu.
- vii. Joyce Fashion House, Onitsha
- viii. Goshen Fashion House, Abakaliki

3. Hair and makeup

- i. Kizzy Icon Unisex Salon Awka
- ii. Restoration Hair Salon, Enugu
- iii. Sleek Makeup and Hair Salon Abakaliki
- iv. Larissa Galleria, Abakaliki
- v. House of Nelly, Owerri
- vi. Mikinson Optimistic Salon, Aba
- vii. Classic Curls Beauty Salon and Spa Enugu
- viii. Ivory Best Salon, Aba

4. Bottle and Sachet water producers

- i. Juhellvy Water, Enugu
- ii. Aqua field Water Enugu
- iii. Aqua Grace Pure Water, Afikpo, Ebonyi State

- iv. Overt Water, Aba
- v. DeKez Table Water, Owerri
- vi. Palonia Drinking Water Factory, Onitsha
- vii. Creators Own Table Water, Onitsha.

5. Transport Business

- i. ABC Transport
- ii. Peace Mass Transit
- iii. God Is Good Motors
- iv. Young Shall Grow
- v. Chisco Transport
- vi. Ekenedilichkwu Motors
- vii. Auto Star Transport
- viii. Ifesinachi Transport Limited

Origin of Business in Nigeria

The first recognized trading activity between humans took place in Guinea around 17000 BCE. The locals exchanged obsidian (a volcanic glass prized for its use in hunting tools) for their needed goods like food, skins and so on. This kind of activities continued for millennia, spreading all over the world even to Nigeria when the goods produced by her citizens exceeded their needs. They exchanged their surplus items for what they needed. Agriculture was the first source of livelihood it was basically subsistent farming, as people began to produce more than they can consume alone, they started exchanging their surplus items for what they need which is known as trade -by- barter.

Modern business started in Nigeria with the coming of the colonial masters, who brought in their products and made Nigerians their middle men. A typical Nigeria business man is a self-made man who may be said to have strong will to succeed; he may engage the services of others like friends, mates or in-laws. The oldest form of business is sole proprietorship. The business owners often start with small capital, most of it from owners' savings. The person manages the business and takes every decision as it regards the business.

Steps in Succession Planning.

Every succession management plan involves the following integrated, systematic approach (Okafor, 2014);

1. Identify key areas and position: the first step to take in succession planning is to identify the important position that make it difficult to current and future goal and

general sustainability of the business if left vacant.

2. Identify Capabilities for key Areas and positions: next is to identify the skills, knowledge, abilities and competencies required to handle this key positions by using the key leadership competencies profile.
3. Identification of talents/individuals for development program. This will entail asking the questions who should be chosen? Why these persons and not others? What previous experiences have guided such decision? And so on.
4. Grooming: this involves conscious development efforts as evident in policy formulation and implementation, training and development programs.
5. Handing over: this involves gradually handing over the business functions to the successor. It also includes the performance of oversight function, providing guidance, supervision and counseling services to the successor.

Importance of succession planning to small businesses

1. Succession planning is a key for achieving a long term legacy in business especially family business
2. Succession planning ensure the availability of capable individuals for management positions
3. It reduces the risk of losing experienced corporate leaders in the business.
4. Fewer financial resources will be spent on the external search and development of candidates.
5. Succession planning ensures the business always has the right leaders in place should a change happen quickly.
6. It is a means of protecting the business from uncertainty
7. It helps to maintain board and shareholder trust.
8. Succession planning helps to gain greater diversity, equity and inclusion among leaders.
9. It sends a positive message to the staff, telling them that the company is planning for

the future which will serve as guarantee that they will remain employed.

Challenges of Succession management

The major challenge confronting small businesses in Nigeria and South-eastern region in particular is the inability of these business owners to separate them from the business. Most of these businesses are sole proprietorship, and almost every member of the family help in running the business. There is no clear line separation of the business entity from the family. The owners are sentimental in their leadership decisions especially in relations to who will carry on the business after the founder. Conventionally in Nigeria, particularly in the South-east, the first male child of the family is usually tasked to take over the responsibility of running the business. This first sons may not be psychologically and intellectually disposed to carry such responsibility, but because the culture imposes that right on them, they just have to take up the responsibility.

Another challenge confronting succession management in small businesses according to Okafor, (2014) is derived from the pattern of living, thinking and cultural orientation. Polygamy was dominant in most of the Igbo speaking states before the last three decades. Agriculture was the dominant occupation. However, a shift away from agriculture to commerce as a source of living and with polygamy as part of our existence, problems emerges as they affect succession management. It has been observed that polygamy breeds rivalry sometimes unhealthy which is subsequently imbibed by the siblings. So part of the issue becomes who should be identified, at what point and groomed to take over from the founder. In the same bracket is cultural stand on women and inheritance. The law may not excuse women from business operations and succeeding their father or husbands. However, there is a practice rooted in tradition, which forecloses women from inheriting and succeed their father or husband business enterprises.

The succession Lesson of Diamond Bank PLC and Ifesinachi Motors Diamond Bank PLC

Diamond Bank was founded in 1991 by Mr. Pascal Dozie who was the MD/CEO of the bank for about 14 years (1991 - 2005). These early years saw the bank emerge as one of the leading retail bank in Nigeria. Thereafter, the bank experienced fluctuating fortune under the leadership of Mr. Emeka Onwuka who succeeded Mr. Dozie and Dr. Alex Otti who came after him (2005 - 2014). In 2012, the bank experienced a peak performance with a record of #28.36b PAT (profit after tax) under the leadership of Dr. Otti.

In 2014, Mr. Uzoma Dozie the first son of Pascal Dozie took over the position of the CEO of the bank after serving as the Executive Director and Deputy Managing Director. The Bank experienced sharp decline in its PAT, alongside a strategic retrogression of the bank by shrinking its size through divestiture from the bank's foreign business divisions in West Africa and UK. This nose diving performance clearly indicated that Mr. Uzoma Dozie the incumbent MD lacked the capacity to successfully lead a financial institution of that magnitude.

Succession risk is a material risk that has the capacity to sink a once thriving enterprise if not well managed. The Dozie family in an attempt to regain the leadership of the bank, appointed Mr. Uzoma Dozie as the MD of the bank in spite of not having a thorough grounding in the rudiments of banking on the Nigerian terrain and that led to the collapse of the bank. As a result of the lack of managerial acumen of Mr. Uzoma Dozie, the former flourishing Diamond bank under their father Mr. Pascal Dozie has been taken over by Access Bank Plc.

Ifesinachi Motors.

Ifesinachi transport company was founded by Late Igwe James Ogbonnaya Mamah, Ekwueme 1 of Ugbaiké, Ohabuenyi 1 of Umuozzi Autonomous Community, and traditional ruler of Umuozzi, Enugu State, in 1965. The company thrived under the management of the founder, acquired offices in two-thirds of the states in Nigeria, with three regional headquarters in Abuja, Lagos and Onitsha. He also diversified into the areas of petroleum (IFEPET ltd), vegetable oil (James Ongigye Vegetable oil Nig. Ltd), courier services (Ifex Express ltd), and banking (Umuozzi

Community Bank and Obollo Urban Community Bank).

Since its founding Ifesinachi transport Company has built a reputation for offering its customers high quality and effective services. The company started formally in 2000 though it was already a standalone business. Igwe James O. Mamah, died on June 1, 2010 at the age of 68, and one of his sons, Chukwuemeka Mamah, took over the management of the business as the CEO of Ifesinachi Transport Company. Chukwuemeka Mamah joined his family business at the young age of 22 years after his youth service as a director. The company has continued to grow under his management, having more than 200 luxury buses, 500 modern Toyota Hiace buses, and has over 3500 staff all over Nigeria. One could say without any modicum of contradiction that the success story of Ifesinachi Motors and Companies Limited could be attributed to the early grooming and bringing of the young Chukwuemeka by his father into the business when he was 22 years of age. In fact, he understudied his father and in that process understood the nitty gritty of the business and that was why up till now, the business thriving tremendously.

It is easy to assume that a father would naturally pass the baton of a thriving enterprise to a son or daughter who has had some form of association with him either at managerial or observer level in the course of the business. Succession management should be included in the business long term strategic plans of the organization. There should be provision for identifying leadership talent within the organization, creating a grooming timeframe and putting them through a rigorous risk management approach to leadership in the specific business environment where they are likely to be deployed.

Theoretical Review

The major issues confronting succession management in small businesses arise from their structure and mode of ownership. Most of the businesses are sole proprietorships, largely unincorporated and have no defined career paths and progression to top management level. A good number of these kinds of businesses thrive on secrecy; not allowing people know or learn their techniques and business ideas on the

grounds of suspicion, hence, not consciously establishing any programs of activities for the next line of successors (Okafor, 2014). Clarity of leadership is an important rationale for succession planning. This reassures stakeholders, including employees and investors, of the leadership direction going forward.

The researcher anchored this paper on the trait theory of leadership. This theory was proposed by Thomas Carlyle in mid 1800s. The theory implies that people are born with leadership traits. Traits that can be identified in great leaders include; adaptability and flexibility, assertiveness, capacity to motivate people, courage and solution, creativity, decisiveness, eagerness to accept responsibility, emotional stability, intelligence and action oriented judgment, need for achievement, people skills, perseverance, self-confidence, task competence, trust worthiness, understanding their followers and their needs (Kendra 2022).

There is need for the CEO or founder of any business organization to identify person(s) that possess if not all but about 80%-90% of the above listed qualities and traits, and groom him or her properly for future running of the business. The successor selection should not be based on sentiments or cultural dictates.

Empirical Review

A good number of research works have been done on succession planning in small business enterprises, stressing the importance of this concept in ensuring the continuity and growth of any business (Brockhouse, 2004). Worthy of note among them is the research work of Joseph A. Obadan and John O. Ohiofenoya (2013), Business Administration Department, Benson Idahosa University, Benin City, Nigeria. They outlined that one of the reasons for the failure of small business enterprises in Edo State of Nigeria is the lack of succession planning. They examined the process of succession planning in small business enterprises in the hotel industry in Benin City, Edo State. Sampling two hotels, they used questionnaires to elicit information from the Chief executives and employees. They discovered that most of the small business enterprises have no succession plan in place and the ability and competence of the successors are

not considered in succession plan. They recommend that small business enterprises should develop a formal plan for succession, communicate the identity of successor, provide basic business management education, provide training and monitoring to the incumbent Chief Executive Officer (CEO) and all stakeholders to help him in planning succession and ensure that owners are comfortable after disengagement.

Prof. Patrick L. Akpan and KaluAgwuUkpai (2017), in the Department of Business Administration, NamdiAzikiwe University Awka, also investigated Succession Planning and Survival of Small Scale Business in Benue State. They established that small businesses are excellent sources of wealth creation, poverty reduction and development of indigenous entrepreneurs. But unfortunately, small scale businesses in Nigeria, particularly in Makurdi Metropolis have high rate of collapse. The major objective of their research work is to examine the influence of succession planning on survival of small scale businesses in Makurdi Metropolis. Descriptive survey design was adopted in the study with a sample size of 120 persons drawn from the population of 560 small business owners. A structured questionnaire was used for data collection. Data collected were analyzed using mean and standard deviation and hypothesis was tested using Analysis of variance. The study revealed that manpower training influences longevity of small scale businesses and there was no significant difference in the mean responses of male and female entrepreneurs on influence of manpower training on the longevity of small scale businesses in makurdi metropolis. This implies that business owners should have a succession plan in place to ensure continuity and sustainability. They recommended among others that owners of companies should propose successors for their business in good time so as to allow enough time for training that could see their business survive through several generations.

An article presented by Elizabeth Idigbe, Olubunmi Tadema and Florence Ojewumi in 2021 (PUNUKA Attorneys & Solicitors), on The Role of Corporate governance in Succession Planning for Family-Owned Enterprises in Nigeria. Their research revealed

strong resilience and optimism about the future notwithstanding the serious challenges and setbacks faced by family businesses. The listed a number of reasons for business failure in Nigeria to include, but not limited to; lack of proper governance structures, inadequate infrastructures, mismanagement of business fund, limited access to finance, fluctuation in exchange rate and so on. The paper considered the “what” and “why” of family business and the relationship between corporate governance and succession planning. It analyzed provisions of relevant corporate governance codes and how adherence to such guides will boost the growth, sustainability, transparency, and profitability and survival rates of family owned enterprises. The researcher seeks to investigate the subject of succession management planning in South-East Nigeria, using theoretical and practical issues.

Gaps and Outcome

This research work covers the gap of location and methodology by examining the subject matter from the practical and theoretical stand point in South-East region of Nigeria.

Research Methodology

The research adopted a descriptive survey method (questionnaire and oral interview). The total number of SMEs within South-East region of Nigeria has been quoted in thousands per state; however, only those who fulfilled the selection criteria were selected for this study. The selection criteria were based on their number of years in operation, capital base, and branches across the region. Five SMEs were selected randomly cutting across different areas of services, these include; transport (Peace Mass) Enterprises, Water Producers (Aqua Grace Pure Water), Hair and Makeup (Sleek Makeup and Hair Salon), Fashion Homes (Goshen Fresh), and Hotels (Cirenes Hotel Abakaliki). The research participants were staff at the selected SMEs, comprising a total of 200 staff base on structured questionnaire and oral interview among the five (5) SMEs. A sample size of 40 as calculated, using the Taro

YamaniFormula. The questionnaire was designed, using the 5-point Likert scale and was administered manually to respondents. Lastly, the study adopted Statistical Package for Social Sciences (SPSS) to analyze the data.

Research hypotheses

From the above literature review and theoretical foundation, the following null hypotheses were formulated:

- i. There are no practical processes of good succession management on small businesses in South-East, Nigeria.
- ii. There are no strategies for enhancing the survival of Small and medium Enterprise corporate sustainability in South-East, Nigeria.
- iii. There are no challenges of succession planning on small businesses in South-East, Nigeria.

Data Analysis and Results

Table 1 indicates that a total of 200 questionnaires were distributed: 40 were distributed to Peace mass Enterprises (22 senior staff and 18 low-cadre staff) and 35 were returned; 40 questionnaires were distributed to Aqua grace (15 to senior staff and 25 to low-cadre staff) and 38 were returned; 40 were distributed to Sleek makeup (18 to senior staff and 22 to low-cadre staff) and 37 were returned; 40 were distributed to Goshen fresh (22 to senior staff and 18 to low-cadre staff) and 36 were returned; and 40 were distributed to Cirenes hotel (17 to senior staff and 23 to low-cadre staff) and 40 were returned.

From the descriptive statistics above, the variables are co-related except decision making at Std. Deviation 8.01703 and Variance 64.273 indicating the necessity of business owners to integrate their workers into the core management functions as a process of succession planning for SMEs survival in south east region.

Therefore, the null hypothesis is rejected rather the alternative is accepted as the variables have close magnitudes.

Table 1: Questionnaire distribution and return.

Organizations	Distributed Number		Returned Number		Number Not Returned	
	Senior	Low-Cadre	Senior	Low-Cadre	Senior	Low-Cadre
Peace mass	22	18	20	15	2	3
Aqua grace	15	25	14	24	1	1
Sleek makeup	18	22	17	20	1	2
Goshen fresh	20	20	18	17	2	3
Cireneshotel	17	23	17	23	0	0
Total	94	106	86	99	6	9

Source: Field Survey, 2023.

Hypothesis 1

There are no practical processes of good succession management on small businesses in South-East, Nigeria.

Table 2 DESCRIPTIVES VARIABLES=selection skills continuity timing decision
/STATISTICS=MEAN STDDEV VARIANCE MIN MAX
/SORT=MEAN (A) .

Descriptive Statistics

	N	Mean	Std. Deviation	Variance
decision making	11	3.5455	8.01703	64.273
retention of workers	5	7.0000	3.39116	11.500
recruitment of personnel	5	7.0000	3.39116	11.500
operation periods	5	7.2000	5.40370	29.200
knowledge development	5	7.6000	6.18870	38.300
Valid N (listwise)	5			

Source; SPSS output

Hypothesis 2

ii. There are no strategies for enhancing the survival of Small and medium Enterprise sustainability in South-East, Nigeria. corporate

Table 3a. T-TEST PAIRS=continuity nepotism recruitment WITH professionalism conflict professionalism (PAIRED)/CRITERIA=CI(.9500)

Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 succession management	8.0000	5	10.34408	4.62601
skill development	7.6000	5	6.18870	2.76767
Pair 2 Family hood	7.2000	5	5.40370	2.41661
organizational rival	7.0000	5	3.39116	1.51658
Pair 3 selection of personnel	7.0000	5	3.39116	1.51658
skill development	7.6000	5	6.18870	2.76767

Table 3b.

Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 succession management & skill development	5	.781	.119
Pair 2 Family hood & organizational rival	5	.928	.023
Pair 3 selection of personnel & skill development	5	.905	.034

Sources; SPSS outputs

From the Descriptive Statistics T-test tables above, the variables are subjected to paired samples as the respondents were almost at the same degree of despondence. Table 3a depicts statistical mean at close relative of dependent variables ranging from 7.0000 to 7.6000 as the independent variable, with succession

management at 8.0000. Table 3b affirms the samples correlation, sig at .119, as others at .023 and .034. Therefore, the null hypothesis is rejected while the alternative is accepted that there are strategies for enhancing the survival of Small and medium Enterprise corporate sustainability in South-East, Nigeria.

Hypothesis 3

There is no challenge of succession planning in small businesses in the South-East, Nigeria.

Table 4. DESCRIPTIVES VARIABLES=culture sentiment polygamy nepotism unity /STATISTICS=MEAN STDDEV VARIANCE MIN MAX /SORT=MEAN (A).

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Nepotism	5	.00	15.00	7.0000	6.59545	43.500
Unity	5	1.00	30.00	7.0000	12.86468	165.500
Polygamy	5	.00	13.00	7.4000	5.98331	35.800
Sentiment	5	.00	14.00	7.6000	6.22896	38.800
Culture	5	.00	28.00	10.0000	11.24722	126.500
Valid N (listwise)	5					

Source; SPSS output

From the descriptive statistics table above, variables identified as the basic challenges confronting SMEs, culture, sentiments, nepotism, polygamy, among others, culture is the most changing factor. Unity has nothing to

do with the challenging variables. Therefore, the null hypothesis is rejected while the alternative is accepted, that there are challenges of succession planning in small businesses in the South-East, Nigeria.

The three hypotheses are co-integrated to ascertain the coefficient significance as subjected to Pearson's Correlation.

Table 5: Correlations.

Corporate Sustainability	Corporate Sustainability	Succession Management
Pearson's Correlation	1	0.934 **
Sig. (2-tailed)		0.000
N	307	307
Succession management		
Pearson's Correlation	0.934	** 1
Sig. (2-tailed)	0.000	
	307	307

** . at the 0.05 level, the correlation is significant (2-tailed).

The Pearson correlation coefficient result shows the link between succession management and long-term corporate sustainability. Table 5 above shows the number of cases, the correlation coefficient, and the significance values. The correlation value of 0.934, indicates

that the association is significant at a 0.05 level (2-tailed) and demonstrates a high positive link ($r = 0.934$, $p\text{-value} = 0.000$) between succession management and corporate sustainability. Hence, the null hypothesis is rejected and the alternate hypothesis that succession

management relates positively to corporate sustainability, is accepted.

Discussion

Having investigated the issue of succession planning in small business enterprises in South-East Nigeria, the researcher made the following findings;

1. Most of the owners of small business enterprises in south east and in Nigeria generally, have little to no idea of succession planning. Even those who claim to have idea of it are not making any conscious plan for it. They believe that nature will take its course and since they have children most especially when they have male children, the first son will automatically carry on the business after them.
2. Very few of these business owners take out time to explain or put anyone through the business with the mind set of transferring the business to the trainee in the future. They thrive on secrecy and most times not willing to share the business secrets with others.
3. The fear of losing the grip or ownership of the business after disengagement. Some of these business owners started the business from young age and have seen the business right from scratch. They have become so much attached to the business that they usually find it difficult to totally hand over the business to someone else. They can hardly trust another person to handle the business like them.

The researcher also discovered some factors that limit succession planning in small businesses.

1. The inability to separate the family interest from the business interest. The business can hardly be separated from the owners. There is no clear demarcation between what belongs to the business and what belongs to the owners. This makes it difficult for the owners to make certain decisions without first considering the family interest.

2. Lack of proper documentation. These businesses have no proper accountability and documentation.
3. Stifling business environment resulting to lack of interest to continue a certain line of business. Unsecured business environment and unfriendly government policies make it difficult to successfully operate some businesses. This will as a result force the owners of the businesses to discontinue such business line.
4. Favoritisms and sentimental judgments. The owners of these small businesses often allow their decisions to be clouded with sentiments, especially when it comes to recruitments, training, and reward system and career development programs.

Conclusion and Recommendations

As the saying goes: he who fails to plan, plans to fail, any business enterprise is it small, medium or large scale enterprise that fails to plan for the future is invariably planning to fail and fold up. Successful succession planning is important for the survival and growth of a business which will also result to economic growth. Irrespective of the barriers to succession planning, a failure to plan for it will jeopardize the future of the business enterprise. Experience from some developed countries of the world have shown that small businesses are capable of making quantum developments in a country over many years and across generations.

Small businesses in Southeast Nigeria and in Nigeria at large can as well make greater contribution toward building and making our dear country a strong nation economically. That is why the researcher makes the following recommendations;

1. Small businesses that have attained a reasonable growth in terms of size and capital should be encouraged to get incorporated. This will allow the introduction of the managerial energy to carry the business forward.
2. Small business owners should be orientated by government and any other business related non-governmental organizations on how to formulate and implement policies and practices that

will promote proper succession planning in order to enhance their performance and guaranty trans-generational enterprise.

3. Small businesses should be compelled to submit their succession planning program with CAC and bank as part of their requirements for registration and credit facilities.
4. If there exists a sudden leadership vacuum that needed to be filled, enterprises should consider hiring competent heads from outside instead of indulging in the strategic mistake of attempting to maintain parochial family interests in the leadership at the expense of sustainability.

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