International Journal of Social Science and Economic Research

ISSN: 2455-8834

Volume:08, Issue:07 "July 2023"

THE EFFECT OF PREDECESSOR RELATED FACTORS ON SURVIVAL OF FAMILY-OWNED BUSINESSES

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DOI: 10.46609/IJSSER.2023.v08i07.005 URL: https://doi.org/10.46609/IJSSER.2023.v08i07.005

Received: 15 June 2023 / Accepted: 12 July 2023 / Published: 21 July 2023

ABSTRACT

The study examined the effect of predecessor related factors on survival of family-owned businesses in southwest, Nigeria. A survey research design was adopted for the study. The population of the study comprised family-owned businesses in Southwest, Nigeria. The sample size was 267 using convenience sampling technique. Primary data used for the study were gathered through the administration of well-structured questionnaire. Data gathered were analyzed using standardized regression model. The result showed that predecessor's related factor significantly affects survival of family-owned businesses as it was significant ($t=1.389$, $t=4.842$, $t=2.138$, $t=3.159$ and $t=2.285$, $p<0.05$).In conclusion, it was shown that all the variables were significantly and positively related to survival of family-owned businesses in Southwest Nigeria. Based on the analysis and findings of the research recommendations were made.

Key words: Succession, family-owned business, predecessor, succession planning, survival.

INTRODUCTION

A family-owned business describes any kind of business unit in which the family through the founder or some members of the family has effective and significant control of the business. Family businesses generate wealth and create employment, therefore, representing the engine of the most important economies worldwide (Sharma, 2004; IFERA, 2003; Astrachan and Shanker, 2003).Recent research studies have shown that the family business accounts for a major portion of the Gross Domestic Product, and employer of labour. Evidence from the research carried out by Sharma, Chrisman and Chua (2003) reveals that family businesses range from 4.1 million to about 20 million and these units account for about 12% to 49% of the Gross Domestic Product (GDP) in the United States of America. A corollary study carried out by Bowman-Upton (1991) also revealed that about 90% of businesses in the United States of America are family-owned or

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controlled. Also, studies carried out by Deloitte and Touché (1999) reveals that family businesses provide over 6 million jobs for the Canadian economy.

Studies, especially the one conducted by Bowman-Upton (1991) identified two categorical actors in the family business; (i) family members and (ii) non-family members. Each group has its own peculiar features and issues associated with it, which include: those who take part in the business and under what circumstance they are to participate; how to prepare the next generation to assume responsibility for the business; how to help the entrepreneur let go of the family business; attracting and retaining non-family executives; compensation of family members, with consideration to equality or merit criterion; who chooses and how to choose among multiple successors; and strengthening family harmony during and after the days of the founder of the business.

As succinctly posited by Ndumanya (2012), family businesses in Nigeria, as in other parts of the world, come in virtually all sizes and exist in virtually all sectors of the economy, fitting in the small bracket – the tailoring outfit, barbing, carpentry, retailing outfit, etc, to entrepreneurial outfits. Examples of family-owned businesses are; Omolayo Standard Press and Bookshops Co. (Nig.) Ltd, Little by Little Photo Industry (Otunba Ajayi), Yinka Folawiyo Group, Dangote Group of Companies, Dantata Group of Companies, Doyin Group of Companies, M.K.O Abiola Group of Companies, Ashamu Group of Companies, Ibru Organisation, Eleganga Group (Molade Okoya-Thomas), the Ojukwu family, Odili & Co. Oil Group of Companies, Sanusi Brothers, Silverbird Group (the Bruce), Henry Stephens Group of Companies (Henry Fajemirokun), Dehinde Fernandez Group, the Ekene Dili Chukwu Transport, Ibeto Group etc. These are business conglomerates that were built by known entrepreneurs from ‘humble beginnings.

It was observed that most family businesses reflect the personality trait and lifestyle of their founders. A personality base theory identified certain behavioural features of entrepreneurs, which remain a truism even today in family-owned businesses in Nigeria. These include a high need for achievement, a need for independence as the entrepreneur desires to take responsibility for his actions/results, preference for moderate risks, optimistic/confident of success, need for and stimulation by feedback, energetic and scrupulous time user, futuristic in orientation, highly skilled in organising and an attitude which value money as a proof of accomplishment, not an end.

STATEMENT OF THE PROBLEM

A closer look at the Nigerian economy reveals an economy that has been majorly dominated by the public sector; that is publicly-driven. This economic situation however, owing to its

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numerous disadvantages has caused the initiation of economic policies, amongst which are the Structural Adjustment Programme (SAP) during the Babangida regime, the privatization programmes carried out by the Bureau of Public Enterprises under the Obasanjo regime to mention a few. This situation of running a public enterprise-dominated economy has in recent times blinded the eyes of the government to the peculiar challenge of successful succession in family-businesses, which has affected the continuity of these kinds of businesses.

The history of businesses in Nigeria can be traced to the pre-colonial times and days, and over time there has been impressive evolvement of business organizations in the country. The unfortunate aspect of this development however is that most of these businesses hardly survive due to the economic situation of the country, ranging from intermittent power supply, bad leadership structure, inadequate infrastructure, dominance of corrupt practices in the business corridor and the likes.

However, the tenacity and strong determination of some business owners have given them the leverage to get their businesses rise against the tide of the consuming economic, political and social challenges, only for such business to experience natural death at the stage of baton exchange i.e., ownership transfer. Several businesses established in this country, having being successful in the times of their founders, becoming household names found it difficult to survive upon the retirement, prolonged illness or death of the founder.

This odd happening is not only confined to Nigeria and even the African continent, but also applies to the developed economies, as studies show that less than 30% of businesses live beyond the second generation and less than 5% of businesses live to survive the third generation(Ward, 1988). This issue poses lots of questions to ponder on, in that despite the availability ofconducive environment for the family businesses, there are still internal issues, which threaten their survival.

It is, therefore, expedient that the factors guaranteeing survival of family-owned and controlled businesses are unraveled, thus providing a pedestal upon which Nigerian family businesses will be guaranteed of continuity even in the face of the scary economic conditions.

Research Objectives

The main objective of this study was to examine the relationship between predecessors' characteristics, succession planning and survival of family-owned businesses in southwest, Nigeria. Other objectives were to;

i. Examine the effect of predecessor's characteristics survival of family-owned businesses

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ii. Assess the personal relationship between the predecessor and the successor on survival of family-owned businesses
iii. Examine the desire to step aside by the predecessor onsurvival of family-owned businesses
iv. Evaluate the effect of trust on survival of family-owned businesses
v. Evaluate the effect of predecessor-successor work relationship on survival of family-owned businesses

Research Hypothesis

The following questions will be proffered solutions to, in the course of the study;

i. Predecessor's characteristics do not have significant effect survival of family-owned businesses
ii. Personal relationship between the predecessor and the successor does not significant effect on survival of family-owned businesses
iii. The desire to step aside by the predecessor does not have positive relationship with survival of family-owned businesses
iv. Trust does not have significant effect on survival of family-owned businesses
v. Predecessor-successor work relationship has no significant effect on survival of family-owned businesses

Literature Review

Before giving the definitions that are stated in the literature by the researchers, the definition of the two different system should be mentioned; the family and the business. Handler (1989) stated in her article that defining the family business is the first and most obvious challenge facing family business researchers. Concerning this, it is still difficult to give an exact definition (Astrachan, Klein & Smyrnios, 2002).The family definition differs from geographic boundaries, and also over time (Astrachan *et al.*, 2002). Families are accepted as the most compelling social institutions; made up of father, mother(s) and their children. They are the source of nature and nurture of every individual's development. The family is considered as one of the critical building block of the study in psychology, sociology, history, and economy (Gersick, Davis, Hampton and Lansberg, 1997).

Defining family from a sociological aspect; it is defined as a social institution that unites individuals into cooperative group that oversees the bearing and raising of children. Most of the families are built on kinship, a social bond based on blood, marriage, or adoption, which turns individuals into families. The family unit is a social group of two or more people, related by blood, marriage, or adoption, who usually live together. (Macions &Plumber, 2002).

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From Nigerian cultural aspect, family is the smallest unit that forms the whole community. The importance given to the family and family dynamic are quite obvious. In the Nigerian setting, the father is seen as the head and equal importance is attached to every gender especially in the South-western part of the country. The relationship within the family affects the society and the business structure.

Defining Business

Business can be defined as an economical entity that is established in other to provide goods or services for those that want and need them. Businesses also provide businessmen with the opportunities to reach their goals (Mizre, 2002). Businesses make up the economic landscape of countries. Business can be classified in various ways; size, functions, and equity ownership. According to Sensory (2002), organizations are grouped into three entities; sole proprietorship, partnership and corporation.

However, on categorization based on size, businesses are categorized as small, medium sized and large enterprises. One important fact here is that most Small and Medium Enterprises (SMEs) are mainly family-owned or controlled, with few of the large ones being owned by families. Most family businesses, due to their nature do take the form of SMEs, whose definition is mainly economic rather than lawful. Basically, SMEs are defined as; Companies that employ 1 to 50, are small enterprises and those that employ 50 to 150 are medium sized enterprises. According to EU commission, Small sized enterprises are businesses that employ less than 50 workers and annual revenue not exceeding 40 million Euros and medium sized employ less than 250 workers and annual revenue not exceeding 20 million Euros. Big enterprises are defined as companies, employing more than 250 workers.

An Overview of Family Business

In most literatures, attempts were made by authors to clarify the definition of family businesses and have a universally acceptable definition. But these attempts were not very successful. In a bid to finding solution to this, Sharma (1999) in her article made an attempt to suggest a universal definition which was gotten through review of existing literatures, attempt to consolidate thoughts and conceptualizing of other definitions especially in the works of Chua, Chrisman and Sharma (1999), Handler (1989) and Litz (1995).

Sharma (1999) in her dissertation reflected several definitions of family business, differing on the interest and perspective of the point of view. These definitions were based on Handler's classification, which is grouped in the following categories; degree of ownership and management of family members, interdependent sub-systems, Generational transfer, multiple conditions.

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Karpuzoglu (2004) defines family business as a company that is formed in order to earn the living of the family and/or keep the wealth of the family together, ruled by the person that is responsible for earning the living of the family, the management positions are mainly occupied by the family members, decision taking is mainly controlled by the family, and at least two generations working in the company.

PricewaterhouseCoopers in their family business survey in 2018 stated that Family businesses are businesses built around strong values and with an aspirational purpose that have a competitive advantage in disruptive times. They are trusted more than non-family businesses. PWC further stated that it has long been recognised that a family firm , ranging from a global enterprise to a business in a small community, is more likely than other companies to treat each day's activity as an investment in the long term and prioritising broad stakeholder interests over satisfying the earnings cycles.

It is however worthy of note that the following are found to be common facts about various definitions of family businesses; family business is a family founded business, started by an entrepreneur from a family and later family members are included, that has its own culture, consists the family leader, from the starting point, and later consisting of other family members, people that have a kinship controls the management, the ownership belongs to the family, family affects business as well as business affects family, keeps the wealth in the family, decision making is within the family. Findikci (2005) summed up the definitions and explore five core aspects of the family business; Family, Ownership, Management, business and culture.

Despite the fact that most family businesses are patterned in line with the owner, family structure as well as the place of residence of such business, there are some general and specific characteristics, which are discussed in this section. Some of the general characteristics of the family business are; the family businesses are organizations that are founded by family members or several family members, as entrepreneur, and accept the involvements of the other family members. The two aspects are family as founder and the business entity. These two sides desire their own peculiar needs and as identified in the theory, have their own features. The reason for foundation of a family business is to support family's life. In the business, the strategies, corporate politics, and the formation of management structure interests of the family are considered. The owner and the top manager of the business are generally the same. The succession contains the ownership and management, which in most cases, always make a transfer process somehow difficult. (Findikci, 2005).

Succession Plan in Family -Owned Businesses

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The family members in the first stages of the foundation of the family business are more involved in the business, having an intensive communication and strong collaboration by the development of the business ownership and wealth, the collaboration decreases, internal conflicts increase, and role conflicts emerges.

One of the characteristics of FOB is entrepreneurial activities. This prompts the founders to undertake many types of entrepreneurial activities, which include:

(i) New concept/new business: They develop new idea(s) of new product(s) around which a new business is built

(ii) New concept/existing business: A new idea/product is adopted and operated/produced within an existing business

(iii) Existing concept/new business: An already existing idea/product is adopted by a new business usually with lots of system changes and value added through creativity

(iv) Existing concept/existing business: An existing idea/product is adopted by an existing business.

The above predominant issue as regards letting go of businesses by founders therefore has been an issue of concern, negligence on their part, which activates natural death for their enterprises after either their demise or retirement. Ensuring a successful transfer of the ownership and control of such businesses therefore entails so many factors, amongst which are working out an effective Business Succession Plan (BSP), which according to Izedonmi (2008) is highly imperative for family businesses in this 21st century; and ensuring that the BSP is well administered and implemented.

According to Cabrera-Suarez, De Saá-Pérez and Garcia-Almeida (2001), the main stakeholders that interact in different levels in the succession process are the founder or predecessor, the successor, other family members, other managers, the owners, and the other agents in the business environment (Cabrera-Suarez *et al.*, 2001).

The predecessor or the founder's impact on the succession process is irrefutable as the management continuity is an issue that is under the control of the owner-manager (Sharma, 1997). Morris, Williams and Nel (1996)claimed that the most important factor in the success of succession is the predecessor related factors. The key finding of predecessor related factors is summarized as the predecessor preparing for the succession, overcoming anxiety, willing to face mortality and ability to delegate, capacity to trust and share, mentoring, cooperative attitude, openness to new ideas, quality of relationships based on the mutual trust, and understanding between the predecessor and successor (Chittor & Das, 2007).

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The studies concerning the founder can be seen in two parts; first one is the early life of the business and the founder by the aspect of the entrepreneurship literature and in the last era of the life of the predecessor. The scope of the family business studies in the literature are deals with the last period of an owner's life in the business and near succession. The predecessor's characteristic during the succession or just before the succession is important in the succession studies.

Desire of Predecessor to Step Aside

The desire of the predecessor is basically, the motivation or willingness of the owner manager or predecessor to let the management and business to the successor by retiring. Sharma (1999) defines the propensity of successor to step aside as the inclination of an incumbent family member manager; that is for the purpose of passing the leadership to a successor. A predecessor that cannot manage the critical business continuity issues endangers the long-term business. The continuity of the business is mainly in the control of the predecessor. As Davis (1982) mentions that the unwillingness of the predecessor to leave the businesses can be seen as the biggest problem in succession.The predecessor’s motivation about overcoming anxiety about succession, and willingness to confront succession and let go is suggested by many researchers like Dyer (1986), Handler (1990), and Lansberg (1988). The predecessor is faced with fears of losing control, power, and even part of his or her identity and statue in the community (Le Brenton-Miller *et al.*, 2004).Especially the founder sees the business like his child, which is a big reason for owners to leave the control in the last era of their lives or even not leave until their health problems occur or to the end of their lives. Sharma (2004) suggests that the factors that may be helpful for the predecessor to step aside by retiring are; trust of predecessor's in the successor's capability and intentions, and predecessors outside business interest.

Trust in Successor's Capability and Intentions

Goldberg and Wooldridge (1992) suggest that the predecessors trust in successor's abilities is an important determinant for the effectiveness of the succession; because the predecessor would not leave the business unless he or she believes in the successor's willingness and desire to take control abilities for managing the business (Venter, Boshoff & Mass, 2005). Lansberg (1988) suggests that, the willingness of the predecessor to step aside and leave the baton to the successor may be eroded by feeling of rivalry and jealousy towards the potential successor. The successor' credibility is crucial for his integration to the business in successful means, in order to gain legitimacy (Venter, Boshoff & Mass, 2005). The trust in successor's intentions and capabilities refers to the degree of confidence that the predecessor has in the abilities and integrity of the successor. The predecessor's perception on the successors' characteristics like education, skills,

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problem solving ability, discipline values, the propensity of the predecessor to retire is higher (Sharma, 1999).

Outside Business Interest

The predecessor distancing him or herself during the succession process from the successor is suggested, which is due to the reason that not sheltering and overprotection enables successor to become comfortable in his or her new job.

Sharma, (1999) suggested that the predecessor should have interests and vocation outside the business to make this succession process less problematic. This way, it would be easier for the predecessor to keep occupied with the activities outside the business. Sharma suggested that there is a positive relationship between the interests of a president (predecessor) outside the business and his or her retirement.

The Relationship between the Predecessor and Successor

The importance of the relationship between the predecessors and the successors is mentioned by many researchers (Handler, 1990; Sharma, 1997; Cabrera-Suarez, *et al*.,2001). They all found a positive link between the quality of relationship and success of the succession. A relationship based on the mutual respect and understanding makes individuals feel supported and recognized (Le Brenton-Miller *et al*., 2004).

For a succession to be smooth, it requires the cooperation of the predecessor and the successor. A good personal relationship between these individuals will be positive to the training and development of the successor (Brockhaus, 2004). Handler (1990) suggests that, succession represents a mutual role adjustment process between the predecessor and the successor. Stempler's empirical findings show that the succession process is strongly influenced from mutual respect, understanding, and complementary behaviour between the predecessor and the successor. An understanding between each other leads to the success of succession process (Venter, Boshoff & Mass, 2005).

The research done by Venter *et al*, (2005) based on empirical results, lays emphasis on the importance of the relationship between the successor and the predecessor, and mentions that it is important for the effectiveness and continued profitably of the business. As the two parties are in different stages of their lives, it is usual for them to have different priorities in their lives and understanding of the business. To therefore curb the tendency of a conflict, both of them should communicate openly and honestly. Also, they should share the business information and ideas with each other (Venter*et al*, 2005). As Lansberg (1988) suggests, one of the most important

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determinants of a successful succession is the predecessor's and successor's enjoyment on the relationship beyond the business environment. (Venter*et al*, 2005).

Predecessors Characteristics

Handler (1990) pointed out that the predecessor's capacity to trust and share is the key points in the succession process. Barach and Gantisky (1995) noted certain inhibiting characteristics that predecessors might have in the process. These are: tendency to mistrust, to control every detail, or to be negatively aggressive. Also, issues like mentoring, cooperative attitude, and openness to new ideas are that the predecessor should possess (Miller, Steier, & Le Breton-Miller; 2003). The demographic characteristics of a predecessor that influence the succession process are the age of the founder related to his/her health, and gender of the founder relative to that of successor's (Davis & Harveston, 1998; Sharma, 1999). It is indicated that, as the predecessor's age increases, the consciousness of a need to prepare for the inevitable transition of ownership and control will lead to a concomitant increase in succession planning (Davis & Harveston, 1998). The education level of the predecessor is another factor that can influence the succession process. It is suggested and supported by the empirical studies of Davis and Harveston (1998) that, as the education level of the predecessor increases the extensiveness of the succession planning increases.

Happiness to Work with the Successor

Şensoy, (2008)states that, before the succession process there is advantage of predecessor working together with the successor. This makes the predecessor happy, and increases the desire to pass the baton to the successor, gratification from passing the know-how to their children, predecessor, convenience of the predecessor leaving the business to safe hands, comfort of the predecessor from knowing that the successor will stick to the predecessors values and business, the trust for the successors managing the business in the way of the predecessor, decreasing bureaucracy and fastening jobs, the belief that the development will be gained from working together with the successor. These factors would make the succession process easier from the aspect of the predecessor.

Theoretical Literature

Traits Theory: The traits theory explains individuals' unique qualities which make them outstanding in their endeavours. It assumes that great men and women are born with distinguishing traits/characteristics that make them different from others. Individual traits are perhaps one of the most widely discussed areas in the human studies literature. Previous studies investigated the impact of business owners' individual traits on a number of issues (Ikavalko, Pihkala & Jussila, 2008; Barach & Gantisky, 1995), including the demographic factors that

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influence their decision-making. The assumption is that people with certain characteristics succeed in business. Some researchers (Khurrum *et al*., 2008; Timmons & Spinelli, 2003) have focused on psychological characteristics such as the need to achieve, locus of control and leadership that enables owners of enterprises to succeed.

Empirical review

Shafieyoon and Mansouri (2014) investigated factors dominating the continuity and decline of family businesses and aims to identify effective factors dominating the continuity and decline of family businesses to establish a conceptual model of continuity and succession for family businesses. As such, 3 corollary questions were formulated: a) why does continuity and succession in a family business last for two or three generations? b) What factors can guarantee the continuity and decline of family businesses? c) Which factors are influential in governing continuity and decline of family businesses? A descriptive research design was used in which from the population of successful owner managers running a family business in Iran, a sample of nine was selected using a purposive sampling method. Initially, the existing literature on family business was analyzed by Delphi: a procedure based on which a questionnaire with 24 statements addressing the continuity and decline of family businesses was developed. Then, a semi-structured interview with the sample members helped to identify 10 more factors. Accordingly, a questionnaire with 34 statements was developed and administered to the sample members who were required to respond to each statement by providing a percentage value showing the relevant distance of the statement from the ideal state.

Emerole (2015) study analyzed the factors affecting family-owned businesses in Abia state, Nigeria. It employed random sampling technique in the selection of location and 100 respondents from whom data and information were elicited using pretested and well-structured questionnaire. In the course of data analysis, multiple regressions model and the Pearson's correlation coefficient were used. The analysis of factors affecting performance of family-owned business showed that among the variable considered as factors influencing the performance of family-owned business in the study area, Age, Education, Line of business, Years of Experience, Household Size and Annual income of the respondents were significant at 1-percent level, The R^2 (coefficient of determination) which shows the total variation of the dependent accounted for by the independent variables was 0.723 (that is 72.3%). The F-statistic value (20.028) was also significant at 1% indicating that the model was adequate. The Pearson's correlation revealed that there is an existence of a strong positive relationship between annual income of family business operators and the profitability of the family-owned venture at the 1% (highest) level of significance. On the basis of the findings, it was recommended that there is a need for effective policies and programmes to support the development and sustainability of family-owned

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enterprises whose sustainability depends critically on adequate knowledge of characteristics and constraints of family business operators should be put in place by government.

METHODOLOGY

Area of Study

This study was carried out in Southwest Nigeria. Southwest is a region in Nigeria consisting of six states which are: Oyo, Osun, Ondo, Ekiti, Ogun and Lagos State. It is majorly Yoruba speaking states.

Research Design

The study adopted a survey research design. Mainly, managers of family-owned businesses formed the target audience for the study. Considering the fact that not all family-owned businesses are registered with Chambers of Commerce and other business union groups in the Southwest Nigeria, the study frame was not restricted to registered businesses only. Also, both questionnaire and interview method were used for this study. The choice of this study area is informed by reachability of the study units.

Sample Size and Sampling Techniques

267 respondents were sampled, 243 questionnaires were filled and returned which represented 91% of the total questionnaire administered. This study has an assumed population because no office in Nigeria keeps records of FOBs. Classification of businesses in the books of Chamber of Commerce and Federal Inland Revenues Service are either on size, locality/location, capital base, and structure. To the best of the researcher's ability, only these numbers were identified**.** A combination of proportional and convenience sampling techniques was used in this study. Proportional sampling techniques was used to determine the appropriate proportion of the assumed population to be covered in each state, while convenience sampling was used to ensure that only managers who are willing to cooperate and supply information were sampled in the study.

Model specification

Predecessor's related factors have no significant effect on survival of family-owned business in *Southwest, Nigeria.*

Sfb = f' (Prf).............................. (i)

Sfb = f' (Pc, Rs, Sa, Ts, Ws)......................... (ii)

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$Sfb = \beta_0 + \beta_1 Pc + \beta_2 Rs + \beta_3 Sa + \beta_4 Ts + \beta_5 Ws + \mu$................. (iii)

Where:

Sfb = Survival of Family-owned Business

Prf = Predecessor's Related Factors

β_0 = Intercept

Pc = Predecessor's Characteristic

Rs = Relationship with Successor

Sa = Stepping Aside

Ts = Trust

Ws = Working with Successor

μ = Stochastic or Error Term

METHOD OF DATA ANALYSIS

The study employed both descriptive and inferential statistical tools for the purpose of data analysis and results interpretation.Multiple regression model was adopted in other to determine the effects of succession planning variables on survival of family-owned businesses.

Data Analysis and Findings

Table 1: Respondents Demographic Distribution

Variables	Frequency	Percent
Gender		
Male	171	70.4
Female	72	29.6
Total	**243**	**100.0**
Marital Status		
Single	51	21.0
Married	167	68.7
Divorced	25	10.3
Total	**243**	**100.0**
Age		
Below 30	28	11.5
31-40	75	30.9

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41-50	87	35.8
51 Above	53	21.8
Total	**243**	**100.0**
Academic Qualification		
Ph.D	03	1.3
MBA/M.Sc	11	4.5
HND/B.Sc	121	49.5
OND/NCE	62	25.5
Others	46	18.9
Total	**243**	**100.0**
Year of Experience		
Below 6	31	12.8
6-10	66	27.2
11-15	87	35.8
16 Above	59	24.2
Total	**243**	**100.0**

Source: Field survey, 2023

Table 1 indicated that the male distribution was 171 (70.4%), while the female was 72 (29.6%). This implied that male business owners are more than the female business owners which shows that male get involve in business establishment than female counterpart. Considering the marital status distribution, 51 (21.0%) of the total respondents were single, 167 (68.7%) were married, while only 25 (10.3%) of the total respondents were divorced. The summary of response gathered here shows that larger populations of respondents are married which implied that they are relatively mature, knowledgeable and responsible to effectively handle and understand succession plan. Considering the age distribution, it was shown that 28 (11.5%) of the respondents falls below 30 years of age, 75 (30.9%) of the respondents falls between 31-40 years of age, 87 (35.8%) of the respondents falls between (41-50 years of age, and 53 (21.8%) of the respondents falls above 50 years thus implies that majority of the respondent falls between 41-50 years of age. In view of this, age status along with year of experience is germane consideration in succession planning. From the table, it was also revealed that 03 (1.3%) of the total respondents are Ph.D holder, 11 (4.5%) of the total respondents are MBA/M.Sc degree holder, 121 (49.8%) of the total respondents were HND/B.Sc. degree holders, 62 (25.5%) of the survey respondents hold OND/NCE degree, while 46 (18.9%) of the total respondents holds other qualification which implied that the majority of the family business owners under survey were HND/B.Sc. degree holders. Consequently, the result implies that majority of the business owners have the adequate requirement that is needed as one of the criteria to succession of family-owned business. Finally, It was also shown that 31 (12.8%) of the respondents were within the range of 1-5years of experience, 66 (27.2%) were within the range of 6-10years of experience, 87 (35.8%) respondents were between 11-15years of experience while 59 (24.2%) were 16years of

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experience and above. This indicated that majority of the respondents were within the range of 11-15 years of experience which implied that family business owners within this range must have been well exposed to different activities and must have gathered enough experience needed for succession planning.

Table 2: Regression Results of Predecessor's Related Factors on Survival of Family-Owned Business

Model	R	R^2	Adj R^2	DW	B	Std Error	T value	P Value
	0.759	0.576	0.553	2.097				
Predecessor Characteristic					.108	.077	1.389	.168
Relationship with Successor					.412	.085	4.842	.000
Stepping Aside					.173	.081	2.138	.035
Trust					.208	.066	3.159	.002
Working with Successor					241	.106	2.285	.025
Constant					.1012	.224	2.477	.006

Source: Field Survey 2023

Predecessor's related factors will not significantly affect survival of family-owned business in Southwest, Nigeria.

The F-test is used to test the overall significance of a model by comparing the F-calculated with the F-tabulated, the comparison is done on the table 4.3. The table shows that the calculated value of F distribution gives a value greater than the F-tabulated. Hence, we accept Hi and reject H0.

Table 3 F-test

F calculated	F tabulated	Ho	Hi	Remark
25.539	2.576	Reject	Accept	Significance

Source: Field survey 2023

Test of Hypotheses

The regression table (Table 2) is an important table to explain the relationship of predecessor's related factors and the survival of family-owned business. From table 2, the R (Correlation Coefficient) gives a positive value of 0.759; this indicates that there is a very strong and positive correlation between predecessor's related factors and the survival of family-owned business. The

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R^2 is a portion of the total variation in the dependent variable that is explained by the variation in the independent variables. From the results obtained, R^2 is equal to 0.576, this implies that there is also strong and positive linear relationship between predecessor's related factors and the survival of family-owned business, that is, it can only account for 57.6% family business owners decision on predecessor's related factors, this is further proven by the adjusted R^2 that shows the goodness of fit of the model which gives a value of 0.553, implying that when all errors are corrected and adjustments are made the model can only account for 55.3% of predecessor's related factors of surveyed family-owned business. The value of Durbin Watson statistics is 2.097 showed the absence of autocorrelation in the model due to large sample, the result showed that null hypothesis is rejected and accepts otherwise i.e. predecessor's related factors has significant effect on the survival of family-owned business in southwest, Nigeria.

Interpretation of Regression Results for Hypothesis One (H_{01})

The unstandardised β co-efficient of predecessor's characteristic gives a positive value of 0.108 with t=1.389 and (ρ=0.168< 0.05). This result showed that predecessor's characteristic has a positive effect on survival of family-owned business. It was found non-significant: therefore, we reject the alternate hypothesis and accept null hypothesis. This means that respondents' reason for survival of family-owned business is not strongly influenced by predecessor's characteristic. However, the higher the t-value, the better the result and the positivity of the result showed that predecessor's characteristic such as the individual trait absolutely influences survival of family business owners. In view of this, demographic factor of individuals involved in succession planning cannot be undermined. However, this is in accordance to the findings of Cho, Okuboyejo and Dickson (2017) which found that that most of the family business initiators do not consider the sustainability of the businesses after they die and hence do not prepare for succession. Results from this study enlightened stakeholders concerned with family businesses on the extent of sustainability and its configuration across business size as well as its determinants.

Interpretation of Regression Results for Hypothesis One (H_{02})

The unstandardized β co-efficient of relationship with successor gives a positive value of 0.412 with t= 4.842 and (ρ= 0.000< 0.05). This result showed that relationship with successor has significant effect on survival of family-owned business. It was found significant: therefore, we reject the null hypothesis and accept alternate hypothesis. This means that respondents' reason for survival of family-owned business is strongly and positively influenced by predecessor's related factors. However, the higher the t-value, the better the result and the positivity of the result showed that succession planning of family business owners are majorly based on the existing relationship and connection between predecessor and successor in southwest, Nigeria.

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This is in line with the findings of Ghee, Ibrahim and Abdul-Halim (2015), the study found that that successful transitions that lead to better business performance are fuelled by strong family member relationships, work and family values, and successor training and experiences.

Interpretation of Regression Results for Hypothesis One (H_{03})

The unstandardized β co-efficient of stepping aside gives a positive value of 0.173 with t= 2.138 and (ρ= 0.035< 0.05). This result showed that stepping aside has a great significant effect on survival of family-owned business. It was found significant: therefore, we reject the null hypothesis and accept alternate hypothesis. This means that respondents' reason for survival of family-owned business is strongly and positively influenced by predecessor's related factors. However, the higher the t-value, the better the result and the positivity of the result showed that stepping aside for the successor motivates the successor and helps in effectiveness of management style through leadership approach. This factor can also serve as motivation to other members by seen it as an avenue to fulfill their potential as well.

Interpretation of Regression Results for Hypothesis One (H_{04})

The unstandardized β co-efficient of trust gives a positive value of 0.317 with t= 6.336 and (ρ= 0.000< 0.05). This result showed that trust has a great significant effect on survival of family-owned business. It was found significant: therefore, we reject the null hypothesis and accept alternate hypothesis. This means that respondents' reason for survival of family-owned business is strongly and positively influenced by predecessor's related factors. However, the higher the t-value, the better the result and the positivity of the result showed that predecessors trust in successor's abilities is an important determinant for the effectiveness of the succession and that predecessor has high level of confidence in the ability and integrity of the successor in Southwest.

Interpretation of Regression Results for Hypothesis One (H_{05})

As depicted in table 4.2, the unstandardized β co-efficient of working with successor gives a positive value of 0.241 with t= 2.285 and (ρ= 0.025< 0.05). This result showed that working with successor has a great significant effect on survival of family-owned business. It was found significant: therefore, we reject the null hypothesis and accept alternate hypothesis. This means that respondents' reason for survival of family-owned business is strongly and positively influenced by predecessor's related factor. However, the higher the t-value, the better the result and the positivity of the result showed that working with predecessor is highly influential to the survival of family-owned business due to the confidence and well understandable culture of the successor to take over which may enable easy floating of the business, however, the experience, previous and present record of the successor will enhance succession in southwest, Nigeria. This

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is in line with the findings of Ghee, Ibrahim and Abdul-Halim (2015) which found that the relationship between antecedents and business performance is found to be partly mediated by succession issues and fully mediated by succession experience.

CONCLUSION

The overall conclusion is that predecessor's related factors i.e characteristics is critical to succession planning. Predecessor's characteristics have very strong significant effect on survival of family-owned businesses. predecessors, that is, founders of family businesses must have plans that will ensure that their business outlive them, either they retire or in event of death.Thus, itwas concluded that predecessor's related factors i.e characteristics is necessary in succession planning and it is positively related to survival of family-owned businesses in Southwest Nigeria which is in accordance to the reviewed literatures in this study.

RECOMMENDATIONS

Consequently, upon the findings based on the analyzed data of the study, the following recommendations are considered to be useful to family business owners in southwest, Nigeria.

i. The predecessor should be willing and ready to train the successor(s)
ii. The founder and the management team should identify the skill(s) needed for the role of successor and also identify individuals who have the competencies.
iii. The predecessor must develop a good relationship with identified successor(s)so that he will have adequate prior knowledge about the business and some potential areas, the successor characteristic such as the trait and the demographic information

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