

## Impact of Succession Management on Business Continuity: A Case of Family-Owned Businesses in Agbor, Delta State

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### Abstract

*This study focuses on the effect of succession planning on business continuity of family-owned businesses in Agbor, Delta State. The specific objectives were to: determine the extent of the relationship between mentoring and employees' productivity; ascertain the effect delegation has on product innovation; and assess the extent to which career development affects growth. The study adopted the survey design. The study population comprised family-owned businesses in Agbor, Delta State. A sample size of three hundred and forty-three (343) was calculated using the Freund and Williams statistical formula. The questionnaire was the primary instrument for data collection. Validity of the instrument was carried out using content validity; and reliability test shows consistency at 0.8 Cronbach's alpha levels. Data were analyzed using Correlation Analysis and Regression Analysis at 5% level of significance. Based on the findings, the study showed that there is no significant relationship between mentoring employees' productivity of family-owned businesses in Agbor, Delta State; delegation has significant effect of innovation of family-owned businesses in Agbor, Delta State; career development has significant effect on organizational growth of family-owned businesses in Agbor, Delta State. The study concluded that effective succession management is critical to ensuring a smooth transition of leadership from one generation to another which could lead to enhanced organizational stability, growth, and innovation. The study recommended that: owners of family-owned businesses should establish a formal succession plan that outlines the process and criteria for identifying and developing potential successors.*

**Keywords:** Succession planning, Business continuity, Mentoring, Employee productivity, Delegation

### Introduction

Currently, some organisations excel and maintain their operations for extended periods, while many others, particularly in developing countries, struggle

to survive beyond the first generation. The primary reason for this disparity is not the lack of essential resources such as human capital, machinery, finances, or materials required for survival.

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The deficiency in effective succession planning is especially evident in small and medium enterprises (SMEs), particularly family-owned businesses. When the founder or key leader of such enterprises experiences sudden death or unfortunate circumstances, the business faces a high mortality rate due to the absence of a prepared and capable successor to continue its operations.

Numerous examples further illustrate this statement. In the 1980s and '90s, several lucrative family-owned businesses, including Gina Mineral Water, Emenike Motors transport system, C.N. Okoli Motor Transport Limited, and Ugo Foam industry, failed to survive into the millennium years, underscoring the urgency of succession planning.

Succession planning is important in family-owned businesses in Nigeria, constituting a significant portion of the economy. The Nigerian business landscape faces unique challenges like political instability, economic volatility, and a rapidly growing population. Effective succession planning is thus vital for the continuity and growth of Nigerian family businesses (Ighomereho, Izedonmi, & Ekpoma, 2015).

In essence, succession planning is the process of identifying and developing new leaders to replace incumbent leaders when they leave, retire, or pass away (Zelenyuk & Zheka, 2016). Yiftachel (2016) describes it as identifying critical positions within an organisation and developing action plans for individuals to assume these positions. It involves manpower planning activities to identify and develop

suitable candidates to take up key roles when they become available (Kolhatkar & Banerjee, 2015).

The significance of succession planning cannot be overstated. It ensures that knowledgeable and experienced employees, ready to take on incumbent roles, are prepared when those positions become available. Successful succession planning cultivates a pool of talented workers poised to assume leadership roles as the business grows, evolves, and develops (White, 2018). This ensures a smooth transition without any loss in productivity or morale.

The process of succession planning varies for each company, but some general guidelines can help businesses create a successful strategy. These include identifying crucial roles that require prompt filling in case of employee exits, defining responsibilities and requirements for each job, and assessing candidates against established criteria to identify potential future leaders. Establishing a talent pool of qualified workers and developing them through training and valuable work experiences ensures their readiness for leadership positions (White, 2018).

Fulmer and Conger (2005) emphasise the importance of various tools for the organisation's succession planning, such as internal leadership and executive education, action learning, coaching, mentoring, external university courses, web-based courses, career planning, individual profiling, performance management, and 360-degree feedback. The succession planning process is an ongoing one, which should begin well in advance to be sustained for at least five years before retirement. Succession planning is applied to executive management, senior

management, and critical/key roles (professional and technical) (Cotter, 2014). It involves identifying and developing potential successors through a systematic evaluation process and possible training, aligning with current and projected business objectives.

Today, the lack of succession planning poses a grave threat to organisations' health. A dearth of viable succession planning puts numerous family businesses at risk and has a severe impact on smooth managerial operations (Bewayo, 2019). Succession planning can be complex, involving relationships and emotions, topics such as ageing, death, retirement, and advancement, making it a sensitive but necessary process to secure the future of family-owned businesses.

Given the above considerations, this study aims to examine the effect of succession planning on the business continuity of family-owned businesses in Agbor, Delta State. By shedding light on the importance of succession management and its implications for business continuity, this research seeks to contribute to the sustainable growth and success of family-owned enterprises in the region.

### **Statement of the Problems**

The importance of family-owned businesses cannot be overemphasised. According to McMurray, Henly, Chaboyer, Clapton, Lizzio, and Teml (2012), family-owned businesses serve as a medium for instilling discipline, resilience, and entrepreneurial mindedness in employees, hence making them innovative and competitive. Additionally, family-owned businesses

are known to enhance the unity and loyalty of employees, given the orientation they embody (Carney, 2005).

Despite the importance of family-owned businesses, business owners are yet to be able to ensure the continuity of these businesses in the cases of eventuality. Most business owners are ignorant of the significance of adopting adequate succession planning in ensuring business continuity. This has led to many family-owned businesses witnessing collapse and total extinction after the demise of the owners. Others witness low patronage, low revenue, and reduced customer base as a result of not being able to find suitable leaders that could win the support of stakeholders.

The above situation is not only unfortunate but unhealthy for any performance-desiring business enterprise. Therefore, if the needful is not promptly done, these family-owned businesses would lack dedicated, innovative and relevant personnel, experience poor service delivery, low customer patronage, few loyal customers, dissatisfied customers, and record low profit margins necessary for sustaining them. It is against this backdrop that the researchers seek to determine the effect of succession planning on the business continuity of family-owned businesses in Agbor, Delta State, Nigeria.

### **Objectives of the study**

- i. To determine the extent of the relationship between mentoring and employees' productivity of family-owned businesses in Agbor, Delta State.

ii. Ascertain the effect delegation has on product innovation of family-owned businesses in Agbor, Delta State.

iii. Assess the extent to which career development affects the growth of family-owned businesses in Agbor, Delta State.

### **Research Questions**

i. What is the extent of the relationship between mentoring and employees' productivity of family-owned businesses in Agbor, Delta State?

ii. What effect does delegation have on the innovation of family-owned businesses in Agbor, Delta State?

iii. To what extent does career development affect the organisational growth of family-owned businesses in Agbor, Delta State?

### **Research Hypotheses**

i. There is no significant relationship between mentoring and employees' productivity of family-owned businesses in Agbor, Delta State.

ii. Delegation has no significant effect on the innovation of family-owned businesses in Agbor, Delta State.

iii. Career development has no significant effect on the organisational growth of family-owned businesses in Agbor, Delta State.

## **Review of Related Literature**

### **Conceptual Review**

#### **Overview of Succession Management**

The concept of succession management in an organisation is the process that allows the identification and training of prospective competent leaders to fill adequate leadership positions in organisations when the need arises (Zelenyuk & Zheka, 2016). Succession management is defined as a process of sourcing viable leadership positions in an organisation and ensuring that adequate plans are carried out to fill these positions with employees who are competent (Yiftachel, 2016).

In organising succession management in organisations, some of the processes include employee education, mentoring, coaching, job rotation, peer learning, career development and planning, delegation, training, and employee appraisal, among others (White, 2018).

According to Deshwal (2015), succession management is paramount for business and, even so, for businesses where owners are due to retire or indefinite leave. By ensuring and implementing adequate succession management is put in place, business owners can ensure that the business is piloted by competent and qualified employees, thus reducing kickbacks that may arise as a result of their absence.

## **Mentoring**

Mentoring is defined as an act of transferring certain ideas, knowledge, and skills from one person (mentor) to another (mentee) in order to ensure maximum growth and development in a specialised area (Emelo, 2015).

Globally, mentoring is known to be a key ingredient in ensuring organisational success, achieving organisational leadership succession, and reducing economic tensions (Lamoureaux, Campbel, & Smith, 2009). In Africa, mentoring is one of the factors that can be used to unlock the potential and competitive element of African nations on the global stage (Egwu, 2012). Egwu (2012) opines that mentoring in an organisation aid in transferring valuable organisational cultures and traits to employees, thereby keeping the originality and identity of the organisation from one generation to another.

Hence, it is important to implement adequate succession management in organisations, especially family-owned businesses, by building, grooming, and developing employees in order to reduce risk and select leaders capable of ensuring organisational development and growth.

## **Delegation**

Delegation is a skilled practice that involves engaging and sharing work and decision-making with others, which would otherwise be carried out by the leader or manager (Chapman, 2012). It includes assigning important tasks to subordinates, giving them responsibility for decisions formally made by the

manager, and increasing their work-related discretion, including the authority to make decisions without prior approval from the manager (Johnson & Packer, 2000).

In the process of delegation, leaders work with employees to set goals and grant them adequate responsibility and authority to accomplish those goals, giving them significant freedom to decide how the objectives will be achieved (Hughes, 2012; Salinas-Maningo, 2005). The focus is on the objective or what needs to be done, leaving the "how" to accomplish the task to the person to whom it was delegated. This allows subordinates to develop their creativity and decision-making skills, as leaders provide them with a degree of autonomy in carrying out their new responsibilities, even if it means making certain mistakes, which can be valuable sources of learning and development.

Previous studies have demonstrated that the application of delegation enhances employee effectiveness, enables managers to maintain their job positions, facilitates business affairs, fosters employee loyalty, and improves performance efficiency (Kombo & Tromp, 2006; Kiiza & Picho, 2014). Overall, delegation is a powerful tool for empowering employees, fostering growth, and achieving organisational success.

## **Career Development**

Career development is a fundamental process that shapes an individual's work identity and spans their entire lifetime, starting from the moment they become aware of different livelihoods (Dawn, 2018). It

involves strategically exploring, planning, and creating a future at work by designing a personal learning plan to achieve one's potential and fulfil the organisation's mission requirements (Charity, 2015).

Career development not only benefits individual employees but also proves advantageous for organisations. By developing employees for future positions, organisations ensure a qualified and committed pool of talent to replace higher-level employees. Aligning employees' career interests, needs, and goals with appropriate positions fosters employee satisfaction and optimises their abilities (Oduma & Were, 2014).

In today's competitive market, organisations need knowledgeable and skilled employees to contribute effectively and gain a competitive edge (Irene & Hazel, 2016). Investing in employees' career development is seen as an investment, not a cost, as it helps overcome barriers such as bad performance, ignorance, and low commitment to duty (Pareek & Rao, 2012).

### **Business Continuity**

Business continuity is known to be a suitable way adopted by organisations in order to continually carry out their business operations (goods and service delivery) at all times (Elliott, Swartz, & Herbane, 2021). As a concept, business continuity lays emphasis on organisational adaptability, preparedness, and resilience. Business continuity extends beyond addressing key issues that border around organisational crisis management but also addresses insignificant issues that may likely hinder

the day-to-day operations of the organisation (Elliott, Swartz, & Herbane, 2021).

The significance of business continuity cannot be overstated. By identifying and addressing potential risks, organisations can minimise the impact of disruptions and prevent or reduce financial losses. Maintaining continuity during disruptions enhances customer confidence and trust, ensuring long-term relationships and loyalty. Business continuity planning is often required to comply with industry-specific regulations and standards. Effective business continuity practices safeguard the organisation's reputation by demonstrating a commitment to resilience and preparedness.

Organisations with robust business continuity plans may have a competitive edge, as clients and stakeholders prioritise partners who can withstand disruptions. Knowing that the organisation has a plan in place to manage disruptions boosts employee morale and reduces anxiety during challenging times (Cavallo & Ghezzi, 2016).

### **Productivity**

Productivity serves as a crucial measure of a business's efficiency in utilising its resources to produce goods and services. Increasing productivity allows a company to produce more with the same level of effort and equipment, leading to several significant advantages (Vourinen, 2008).

Productivity encompasses two key aspects - the utilisation of resources and the creation of value. A company achieves good productivity when its

activities and resource allocation in the product creation process generate value for the final product (Mohanty, 2008).

Productivity necessitates both efficiency and effectiveness, as an activity will not be productive if it is only efficient but not effective or effective but not efficient (Gupta, 2005). In essence, true productivity emerges when both efficiency and effectiveness work in tandem to achieve optimal results.

### **Innovation**

Innovation, as defined by Khan (2008), involves the successful implementation of new ideas. Its significance varies across different applications, and it plays a pivotal role in generating competitive advantages in the medium and long term. For both companies and countries, innovation is essential for ensuring future sustainability.

By adding value to a company's products and setting them apart in the competitive landscape, innovation becomes particularly crucial in markets flooded with similar commodities and high competition. Those who innovate, whether through incremental or radical changes in products, processes, or business models, gain a competitive edge over their peers (Khan, 2008).

Innovations not only open new market opportunities and increase revenues for companies but also contribute to partnerships, knowledge acquisition, and brand value enhancement (O'Sullivan, 2002). In economics, management, and other fields of analysis, innovation is considered a process that combines various novel ideas to create a societal impact (Salge & Vera, 2012). In the organisational context,

innovation can lead to positive changes in efficiency, productivity, quality, competitiveness, and market share (Huebner, 2005).

### **Organisational Growth**

Organisation growth is the dynamic process of expanding and developing a business entity over time. This growth encompasses a broad range of dimensions, including the enlargement of scale, scope, and complexity of the organisation's operations, resources, and market presence (Bierman & Smidt, 2012).

A few critical aspects contribute to organisation growth, such as market expansion, diversification of products and services, mergers and acquisitions, scaling operations, developing human resources, financial management, innovation, and adaptability (Tidd & Bessant, 2013). For growing organisations, achieving economies of scale and expanding market presence can enhance competitiveness and improve responses to market challenges. With increased revenue and profitability, organisations gain more resources for further expansion and investments (Barney, 1991).

Gong, Huang, and Farh (2009) posit that adequate growth attracts individuals who are talented and looking for avenues to develop themselves personally and career-wise. Organisations that grow steadily have the tendency to build a positive reputation, which, in turn, attracts more customers and investors (Rindova, Williamson, Petkova, & Sever, 2009). Overall, organisation growth is a

multifaceted process that can bring about numerous advantages and opportunities for businesses, positioning them for long-term success and development in the competitive landscape.

## **Theoretical Framework**

### **Scharmer's Theory U Model**

Scharmer (2009) introduced the Theory U Model, a succession planning approach that emphasises active engagement and action from the top management team. This model views succession planning as a process that starts from the immediate future and involves five movements, collectively shaping organisational change.

The first movement is co-initiating, where the organisation establishes a shared vision and purpose for a future event. The second movement, co-sensing, involves recognising the needs and opportunities across different boundaries within the organisation. It encourages collective input and fosters innovation.

The third stage, pre-sensing, is when the leadership envisions the future regarding succession planning. This futuristic plan serves as the foundation for change, motivating the organisation towards its desired end. At this stage, unresolved issues from the past are let go, and the focus shifts to a more realistic and forward-looking future.

Next comes the fourth movement, co-creating. Here, the organisation's leadership explores the future and creates prototypes of what future succession planning might look like. Scharmer (2009) emphasises the need to view succession planning as a long-term concept rather than solely addressing immediate

organisational requirements. Kartz (2001) suggests that assessing the company's strategy and policies, which highlight the necessary qualifications of potential successors, is vital for a sustainable and dynamic succession plan.

The fifth and final movement in Scharmer's Theory U Model is co-evolving, which enables the organisation to embrace change and implement succession planning strategies that align with the emerging future (Scharmer, 2009). This approach encourages continuous adaptation and evolution to ensure the organisation's success in the long run.

### **Empirical Review**

Mubashar (2016) investigated the Impact of Training and Mentoring on Employee Performance in Public and Private Universities in Islamabad. The study collected data from 250 staff members in different universities and analysed it using SPSS. The findings indicated that training and mentoring-oriented workplaces enhance employee commitment and productivity. The study recommended expanding training and mentoring programs in Islamabad and beyond to improve human skills and managerial practices.

Odoyo and Simiyu (2014) assessed product innovation strategies among banks in Eldoret municipality, Kenya. The study used a survey design, and data were collected from 191 respondents through questionnaires. Descriptive and inferential statistics were used for data analysis. Findings revealed that market surveys, delegation of employees, and

customers' feedback had an impact on product innovation strategies. The study suggested that banks should encourage employees to come up with new products and services tailored to the target market.

Mutisya (2015) examined the influence of career development on organisational performance in fast-moving consumer goods in Kenya. The study used a descriptive research design and collected data from 50 managerial staff at a local bottling company in Kenya. The study found that career development significantly influenced organisational performance, and it recommended that fast-moving consumer goods organisations prioritise career development for their staff to enhance performance.

### Methodology

In this study, a survey design was adopted, and data were gathered from two main sources, namely, Primary data and Secondary sources of information. The population consists of family-owned businesses in Agbor, Delta State. The target population of the study is uncertain; thus, it is taken as an unknown population.

To calculate the optimum sample size, the researcher applied the Freund and Williams' formula for sample size determination, calculated at ninety-five per cent (95%) confidence level and five per cent (5%) standard error. The percentages of positive and negative responses are therefore:

$$\frac{33 \times 100}{50 \times 1} = 66$$

$$\frac{17 \times 100}{50 \times 1} = 34$$

Therefore, substituting and solving N:

$$N = \frac{(1.96)^2 (.66) \times (.34)}{(.05)^2}$$

$$= 342.5 = \text{Approximately } 343$$

The researcher used the stratified random sampling method, which is a variant of the random sampling technique. The instrument for data collection was a structured questionnaire. The Questionnaire focuses on the study objectives. The questionnaire was designed on a five-point Likert scale format of Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree, with their corresponding weights of 5,4,3,2 and 1, respectively.

The validity of the instrument was achieved using content validity. A test-re-test method of reliability was adopted for this study to measure the reliability of the instrument using the Cronbach Alpha technique. The reliability result indicated 0.8, implying a high degree of item consistency. The data gathered for the study was analysed using Regression analysis and Pearson Product Moment Correlation Coefficient.

### Data Analysis, Findings and Discussion

#### Opinion regarding mentoring and productivity

**TABLE 1. We encourage and develop the ability to create and acquire the internal source of knowledge.**

		Frequency	Percent	Valid Percent
Valid	Strongly Agree	111	44	44
	Agree	84	34	34
	Undecided	6	2	2
	Disagree	48	18	18
	Strongly Disagree	6	2	2
	Total	255	100.0	100.0

Source: Field Survey, 2023

Table 1 reveals that 44% of the respondents strongly agreed that they encourage and develop the ability to create and acquire the internal source of knowledge, another 34% respondents agreed with them. 2% were undecided, 18% disagreed and others 2% strongly disagreed.

**TABLE 2. Mentoring is used in our organisation as a useful way of building the skills of employees.**

		Frequency	Percent	Valid Percent
Valid	Strongly Agree	171	67	67
	Agree	12	5	5
	Undecided	6	2	2
	Disagree	27	11	11
	Strongly Disagree	39	15	15
	Total	255	100.0	100.0

Source: Field Survey, 2023

Table 2 reveals that 67% of the respondents strongly agreed that mentoring is used in their organisation as a useful way of building the skills of employees, and the other 5% of respondents agreed with them. 2% were undecided, 11% disagreed and others 15% strongly disagreed.

**TABLE 3. Our employees are eager to learn ways of making themselves more productive.**

		Frequency	Percent	Valid Percent
Valid	Strongly Agree	72	31	31
	Agree	93	36	36
	Undecided	0	0	00
	Disagree	45	18	18
	Strongly Disagree	45	15	15
	Total	255	100.0	100.0

Source: Field Survey, 2023

Table 3 shows that 31% of the respondents strongly agreed that their employees are eager to learn ways of making themselves more productive, and 36% of respondents agreed with them. 0% was neutral, 18% disagreed and other 15% strongly disagree.

**TABLE 4. Our employees’ quality of work improves overtime.**

		Frequency	Percent	Valid Percent
Valid	Strongly Agree	84	28	28
	Agree	141	55	55
	Undecided	3	2	2
	Disagree	9	3	3
	Strongly Disagree	18	7	7
	Total	255	100.0	100.0

Source: Field Survey, 2023

Table 4 reveals that 28% of the respondents strongly agreed that their employees’ quality of work improved over time, and 55% of respondents agreed with them. 2% were neutral, 3% disagreed, and 7% strongly disagreed.

### Opinion regarding delegation and innovation

**TABLE 5. Delegation gives me a chance to depend on myself to achieve goals in my organisation.**

		Frequency	Percent	Valid Percent
Valid	Strongly Agree	72	28	28
	Agree	66	27	27
	Undecided	6	2	2
	Disagree	57	23	23
	Strongly Disagree	54	10	10
	Total	255	100.0	100.0

Source: Field Survey, 2023

Table 5 signifies that 28% of the respondents strongly agreed that delegation gives them a chance to depend on employees to achieve goals in my organisation, and 27% of respondents agreed with them. 2% were neutral, 23% disagreed, and the other 10% strongly disagreed.

**TABLE 6. Delegation helps me to be creative and improves innovation in my organisation.**

		Frequency	Percent	Valid Percent
Valid	Strongly Agree	87	34	34
	Agree	114	45	45
	Undecided	9	3	3
	Disagree	36	14	14
	Strongly Disagree	9	4	4
	Total	255	100.0	100.0

Source: Field Survey, 2023

Table 6 shows that 79% of the respondents are in the agreed category, 3% were undecided, 14% disagreed, and 4% strongly disagreed that delegation helps them to be creative and improves innovation in their organisation.

**TABLE 7. Our new products and services are often perceived as very novel by customers.**

		Frequency	Percent	Valid Percent
Valid	Strongly Agree	129	51	5
	Agree	87	34	9
	Undecided	3	1	1
	Disagree	24	9	34
	Strongly Disagree	12	5	51
	Total	255	100.0	100.0

Source: Field Survey, 2023

Table 7 shows that 51% of the respondents strongly agreed that their new products and services are often perceived as very novel by customers, and 34% of respondents agreed with them. 1% was neutral, 9% disagreed, and 5% strongly disagreed.

**TABLE 8. We continuously modify design of our products and rapidly enter new emerging markets.**

		Frequency	Percent	Valid Percent
Valid	Strongly Agree	90	35	35
	Agree	51	19	19
	Undecided	12	4	4
	Disagree	57	22	22
	Strongly Disagree	45	19	19
	Total	255	100.0	100.0

Source: Field Survey, 2023

Table 8 chart shows that 35% of the respondents strongly agreed that they continuously modify the design of their products and rapidly enter new emerging markets, and 19% agreed with them. 4% were undecided, while 41% were in the disagreed category.

**Opinion regarding career development and organisational growth**

**TABLE 9. Our employees are encouraged to continuously develop their talents and capacities.**

		Frequency	Percent	Valid Percent
Valid	Strongly Agree	51	21	7
	Agree	129	50	17
	Undecided	16	5	5
	Disagree	45	17	21
	Strongly Disagree	18	7	50
	Total	255	100.0	100.0

Source: Field Survey, 2023

The above table signifies that 21% of the respondents strongly agreed that their employees are encouraged to develop their talents and capacities continuously, and 50% of respondents agreed with them. 5% were neutral, 17% disagreed, and the other 7% strongly disagreed.

**TABLE 10. There is clear communication of information concerning career options and opportunities in the firm.**

		Frequency	Percent	Valid Percent
Valid	Strongly Agree	51	19	35
	Agree	90	35	19
	Undecided	12	4	4
	Disagree	45	19	22
	Strongly Disagree	57	22	19
	Total	255	100.0	100.0

Source: Field Survey, 2023

Table 10 chart shows that 19% of the respondents strongly agreed that there is clear communication of information concerning career options and

opportunities in the firm, and 35% agreed with them. 4% were undecided while 19% disagreed, while 22% strongly disagreed.

**TABLE 11. There has been an increase in high-value-added products and services in our organisation.**

		Frequency	Percent	Valid Percent
Valid	Strongly Agree	80	31	31
	Agree	61	24	24
	Undecided	19	7	7
	Disagree	50	20	20
	Strongly Disagree	45	18	18
	Total	255	100.0	100.0

Source: Field Survey, 2023

Table 11 shows that 31% of the respondents strongly agreed that there has been an increase in high-value-added products and services in our organisation, and 24% agreed with them. 7% were undecided, 20% of the respondents disagreed, while 45% strongly disagreed.

**TABLE 12. We have expanded our business scale through additional investment.**

		Frequency	Percent	Valid Percent
Valid	Strongly Agree	70	27	27
	Agree	71	28	28
	Undecided	10	4	4
	Disagree	59	23	23
	Strongly Disagree	45	19	19
	Total	255	100.0	100.0

Source: Field Survey, 2023

The above Table shows that 27% of the respondents strongly agreed that they had expanded their business scale through additional investment, 28% agreed with them, 4% were undecided, 23% disagreed, and 19% strongly disagreed.

**TESTING OF HYPOTHESIS**

Four hypotheses are formulated and tested as follows using correlation and regression methods.

**i. Hypothesis**

**H<sub>0</sub>:** There is no significant relationship between mentoring and employees’ productivity of family-owned businesses in Agbor, Delta State.

**H<sub>1</sub>:** There is a significant relationship between mentoring employees’ productivity of family-owned businesses in Agbor, Delta State.

**Table 13. Correlations**

			Mentoring	Productivity
Correlation	Mentoring	Correlation Coefficient	1.000	.66
		Sig. (2-tailed)	.	.041
		N	255	255
productivity	productivity	Correlation Coefficient	.66	1.000
		Sig. (2-tailed)	.041	.
		N	255	255

**Interpretation of Result**

Data for the test of hypothesis one was obtained from responses from the questionnaire. Correlation analysis was used to test the significant relationship between mentoring and productivity of family-owned businesses in Agbor, Delta State. Table 13 reveals that while the r calculated result shows the existence of significant result on the variables (r = 0.66 at p< 0.05). The significant level is 0.041, and due to this we reject the null hypothesis and accept the alternate one which state that *there is a significant relationship between mentoring employees’ productivity of family-owned businesses in Agbor, Delta State.*

**ii. Hypothesis**

**H<sub>0</sub>:** Delegation has no significant effect on the innovation of family-owned businesses in Agbor, Delta State.

**H<sub>1</sub>:** Delegation has a significant effect on the innovation of family-owned businesses in Agbor, Delta State

Regression model:  $Y = \alpha + \beta X + \mu \dots$  (For all observations  $i, = 1, 2 \dots n$ )

Where Y = innovation

X = delegation

$\mu$  = error term of random variable

$\alpha$  = a constant amount

$\beta$  = effect of X hypothesized to be positive

Hence, the regression (predict) equation will be Y =

$$116.031 + 1.964X$$

**Table 14a. Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.939 <sup>a</sup>	.881	.842	30.46883

a. Predictors: (Constant), delegation

**Table 14b. ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20670.151	1	20670.151	22.265	.002 <sup>a</sup>
	Residual	2785.049	254	928.350		
	Total	23455.200	255			

a. Predictors: (Constant), delegation

b. Dependent Variable: innovation

Dependent Variable: innovation

**Table 14c. Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	116.031	47.849		2.425	.074
	Delegation	1.964	.416	.939	4.719	.008

**Interpretation of Result**

Having analysed the data from the questionnaire using regression analysis to ascertain the effect delegation and product innovation of family-owned businesses in Agbor, Delta State, the Tables 14 a, b, and c revealed that the regression result shows the existence of significant result on the variables ( $R^{**} \text{ calc} = .0939 > \text{at } p < 0.05$ ). The

significant level was found to be 0.02, and due to this we reject the null hypothesis and accept the alternate one which state that *delegation*

*has significant effect of innovation of family-owned businesses in Agbor, Delta State.*

**iii. Hypothesis**

**H<sub>0</sub>:** Career development has no significant effect on the organisational growth of family-owned businesses in Agbor, Delta State.

**H<sub>1</sub>:** Career development has no significant effect on the organisational growth of family-owned businesses in Agbor, Delta State.

Regression model:  $Y = \alpha + \beta X + \mu \dots$  (For all observations  $i = 1, 2 \dots n$ )

Where Y = organisational growth

X = career development

$\mu$  = error term of a random variable

$\alpha$  = a constant amount

$\beta$  = effect of X hypothesised to be positive

Hence, the regression (predict) equation will be  $Y = 14.112 + 0.667X$

**Table 15a. Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.539 <sup>a</sup>	.516	.519	57.91131

a. Predictors: (Constant), career development

**Table 15b. ANOVA**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	16221.117	1	19110.019	6.103	.003 <sup>a</sup>
	Residual	7711.221	254	3131.060		
	Total	23932.338	255			

a. Predictors: (Constant), career development

b. Dependent Variable: organisational growth

**Table 15c. Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	14.112	42.533		1.117	.011
	Career development	.667	.312	.819	3.710	.016

a. Dependent Variable: organisational growth

**Interpretation of Result**

Having analysed the data from the questionnaire using regression analysis to assess the extent to which career development affects the growth of family-owned businesses in Agbor, Delta State, Tables 15 a, b, and c revealed that the regression result shows the existence of significant results on the variables ( $R^2$  calc = .516,  $F = 6.103 >$  at  $p < 0.05$ ). The significant level was found to be 0.03, and due to this, we reject the null hypothesis and accept the alternate one, which states that career development has a significant effect on the *organisational growth of family-owned businesses in Agbor, Delta State*.

**Discussion of the Findings**

Hypothesis one was tested with correlation analysis to find out the nature of the relationship between mentoring and employee productivity in family-owned businesses in Agbor, Delta State. The result shows that there is a significant relationship between mentoring and employees' productivity of

family-owned businesses in Agbor, Delta State ( $r = 0.66$  at  $p < 0.05$ ). This result was in line with the study of Mubashar (2016), who studied the impact of training and mentoring on employee performance in public and private universities in Islamabad. Findings from the study revealed that collectively, training and mentoring-oriented workplace encourages employees to work with commitment, thereby increasing their productivity.

Hypothesis two was tested using regression analysis to ascertain the effect of delegation and product innovation on family-owned businesses in Agbor, Delta State. The result reveals that delegation has a significant effect on the innovation of family-owned businesses in Agbor, Delta State ( $R^{**}$  calc = .0939  $>$  at  $p < 0.05$ ). This result was in line with that of Odoyo and Simiyu (2014), who conducted a study on product innovation strategies among banks in Eldoret municipality, Kenya. The findings of the study revealed, amongst others, that market surveys and delegation of employees and customers' feedback had an effect on product innovation strategies.

Hypothesis three was tested using regression analysis to assess the extent to which career development affects the growth of family-owned businesses in Agbor, Delta State. The result indicates that career development has a significant effect on the organisational growth of family-owned businesses in Agbor, Delta State ( $R^2$  calc = .516,  $F = 6.103 >$  at  $p < 0.05$ ). This result is in line with that of Mutisya (2015), who conducted a study on the influence of career development on organisational performance in fast-moving consumer goods in Kenya. The study revealed that career development has a significant influence on how organisations will perform.

### Summary of Findings

The findings at the end of this study include the following:

- i. There is a significant positive relationship between mentoring and employees' productivity of family-owned businesses in Agbor, Delta State ( $r = 0.66$  at  $p < 0.05$ ). This implies that when employees are mentored, they are bound to increase their productivity in the organisation.
- ii. Delegation has a significant positive effect on the innovation of family-owned businesses in Agbor, Delta State ( $R^{**}$  calc = .0939  $>$  at  $p < 0.05$ ). This implied that delegating to employees helps them become creative in handling organisational issues and responsibilities.

ii. Career development has a significant positive effect on the organisational growth of family-owned businesses in Agbor, Delta State ( $R^2$  calc = .516,  $F = 6.103 >$  at  $p < 0.05$ ). This implied that when employees engage in career development programmes, they help ensure organisational growth.

### Conclusion

Effective succession planning and management are critical to ensuring a smooth transition of leadership from one generation to another. When done successfully, it can lead to enhanced organisational stability, growth, and innovation.

Family-owned businesses face unique challenges in managing succession due to the complex interplay of family dynamics, emotions, and business interests. However, overlooking succession planning can have dire consequences for the organisation's continuity, especially in the event of sudden death or misfortune of the founder or current leadership.

By implementing structured and strategic succession planning processes, family-owned businesses can mitigate risks and ensure the development of capable successors who are well-prepared to take on leadership roles. This involves identifying and nurturing talent within the organisation, providing leadership development programs, and creating a clear roadmap for leadership transition.

## Recommendations

Based on the findings, the following recommendations were made:

i. Owners of family businesses must start mentoring their employees in order to nurture and groom competent and productive employees capable of taking up leadership positions (s) in the organisation.

ii. Organisational management must ensure that they encourage employees by delegating them to carry out different organisational tasks in order to develop adequate expertise, competencies, knowledge, and skills needed to excel in their chosen field.

iii. Business owners must do well to encourage their employees to engage in requisite career development programmes so as to gain relevant knowledge and give meaningful contributions that could lead to the growth and sustainability of the business.

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