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Succession Planning and Sustainabilty of Family Owned Business in South-East Nigeria

Onyeizugbe Chinedu Uzochukwu and Ifeakachukwu Ezute
Dept. of Business Administration
Nnamdi Azikiwe University Awka, Anambra State, Nigeria

Abstract. The contributions of family owned businesses to the economic wellbeing of any nation are so remarkable that one cannot expect a world without family owned business. Despite their relevance and the positive economic impact on the Nigeria economy and in particular the South-East, their longevity and sustainability is often short-live. Available statistics shows that there is no family owned business in the South-East Nigeria that survived beyond the founder even to the third generation. This high mortality rate necessitated this study. The main objective is to determine the extent of the relationship that exists between primogeniture rule (the rule of first born) and longevity of family owned business in South-East Nigeria. Survey research design was adopted for the study. Primary data for this study were obtained mainly by means of questionnaire and interviews methods. The population of study were drawn from family owned businesses in different sectors that registered with the Ministries of Trade, Commerce, Industry and Tourism in the states of South-Eastern Nigeria, as at 2021. A sample size of 216 was determined using Yamane's formula. Descriptive statistics such frequency counts with simple percentage was used to analyze data collected while Z-score was used to test the hypothesis formulated. The findings shows existence of a positive relationship between factors associated with primogeniture (first born) rule of inheritance and succession planning in family owned businesses in South-East Nigeria. It was recommended that owner-founder of family owned business should pay ample attention to managing culture and acknowledge the importance of succession planning and develop a well-designed, functional succession plan for the future.

Keywords: family owned business, succession planning, primogeniture rule, inheritance culture

Introduction

Family owned businesses are the engine of economic growth in both developed and developing economies. They play significant role in the national economic development worldwide; facilitating wealth creation and economic stability. They constitute between 80 - 90 percent of all businesses in the world of free economies, contributing between 70–90 percent of the global GDP, and creating more than half of the total employment in the developed countries. Family owned business comprised of at least two-third of businesses worldwide (KPMG Family Business, 2018).

In the South-East of Nigeria, the relevance of family owned business cannot be overemphasized. The Igbos are renowned for their zeal and tenacity in business; spanning decades. These family owned businesses cut across virtually all types of enterprises namely; manufacturing, hospitality, cloth making, processing, farming, construction, service and transportation. These businesses were established with the specific goals and objectives to provide employment, facilitate economic growth, provide goods and services and boost the living standards of the masses. Available statistics shows that in the South-East, family owned enterprises employ more than 70% of the private sector workforce hence they are the most important sources of wealth creation (KPMG, Family Business, 2018).

Even with family owned businesses assuming such significant role as engine of growth, wealth creation, employment generation and poverty reduction, these businesses are characterized by very high mortality rates. Studies show that many of the family owned businesses becomes moribund or deteriorate significantly at the exit, death or incapacitation of their founders/owners (Nwadukwe, 2012). Notable among family businesses that are either moribund or deteriorated alarmingly are; The Ojukwu family Business, Chief Odili, Okoya-Thomas family business, Chief Okonkwo family business, Ekene Dili Chukwu group of companies, to mention but a few.

In the view of Otika, Okocha and Ejiofor (2019) the high mortality rate of these businesses is a continuing source of worry. They further explained that available statistics shows that only 30% of family businesses survived beyond the first generation while about 10% to 15% go beyond third generation. In Nigeria more than 70% of family owned businesses turn moribund due to inability to survive generational transition (Otika et al., 2019). Okoli et al. (2019) observed that there is no family owned business in the South-East Nigeria that is in their third or fourth generation.

This high mortality rate of long established family owned business no doubt has serious implications for national prosperity given that those prospects for economic growth and development becomes limited where the wealth accumulated by each generation of family owned business is lost whenever the founder/owner dies. To this end therefore, the lack of longevity and/or sustainability of family owned business particularly in the South-East Nigeria is a cause for serious concern. Although many possible explanations exists as to why so few family owned businesses are unable to survive beyond the founder, succession planning has emerged as a key area of interest and a potential stumbling block for business owners, consultants, and researchers to pay attention to. This is in line with Nkam, Sena and Ndamsa (2017) observation that one of the main reasons for high mortality rate among first and second-generation family businesses is their inability to manage the complex and highly emotional process of ownership and management transition from one generation to the next. Akpan and Ukpai (2017) research indicates that succession difficulties represent one of the main reasons businesses fail. He also noted that those difficulties are usually related to culture and relationship problems, such as inheritance culture rather than business problems.

The influence of inheritance culture on leadership and management succession is so overwhelming that there is no family owned business in the South-East Nigeria that survived beyond the founder even to the third generation. Studies have shown that inheritance culture and primogeniture rule of inheritance stands out as a major barriers to succession planning in family owned business in South-East Nigeria. These factors have remained a huge burden to successful succession and sustainability of family owned businesses and not much research work have being carried out to investigate its impact. This study therefore is determined to find out the extent to which primogeniture rule affect the longevity of family owned business after the demise of the founder/owner particularly in South-East Nigeria.

Objectives of the Study

The main objective of this study is to find out the extent of the relationship that exists between primogeniture rule (the rule of first born) and longevity of family owned business in South-East Nigeria.

Research Questions

To what extent does the primogeniture rule (rule of first born) affect the longevity of family owned business in South-East Nigeria?

Research Hypotheses

HO: There is no significant relationship between primogeniture rule (rule of first born and longevity of family owned business in South-East Nigeria.

Review of Related Literature

Concept of Family Owned Business

There is however, no universally accepted definition of Family Owned Business (FOB) despite its huge impact on the economy of nations and the number of research interest in the field (Nnabuife, Okoli, & Arachie, 2018). It is a case of different story for different forks. Supporting this view, a study carried out for the European Commission (European Family Business, 2019) notes that "there does not exist a common, widespread definition or understanding of what constitutes a "family business" that is generally applied across Europe and other parts of the world for political, economic as well as academic purposes at the same time". The Romanian law (Hategan, Curea-Pitorac, & Hategan, 2019) defines family business as "the economic entity, without juridical personality, organized by an entrepreneur along with his family; an enterprise established at the initiative of an individual and comprising his/her family members (husband, wife, children over 16 years, as well as their relatives, including the fourth-degree ones).

According to Onyeukwu and Jekelle (2019), family owned business is a business owned by a family unit, the head of a nuclear family or jointly by the head and member(s) of a nuclear family. This view was also supported by Nnabuife and Okoli (2017) who notes that family owned business (FOB) just like the name implies is a business that is owned by a family.

Akpan and Ukpai (2017) believed that family business can be defined using the following criteria: voting control, percentage of ownership, power over strategic decision, involvement of multiple generations, and active management by family members. Thus, family business can be defined as a business in which the family has influence or control over both the ownership and management operations. Fotea, Pop and Fotea (2017) define a family business as a commercial organization in which decision making is influenced by multiple generations of a family related by blood or marriage that are closely identified with the firm through leadership or ownership. Family business can also be seen as a business in which one or more members of the family have a significant ownership interest and commitments towards the business' overall well-being.

Keeping in mind the above definitions of family business, suffice to say that the vast majority of businesses throughout the world from corner shops to multinational publicly listed organizations with hundreds of thousands of employees can be considered as family businesses (Cho & Sena, 2017). According to KPMG Family Business (2018) family businesses account for 96 % of all businesses in the United States of America (USA) and are responsible for nearly 50% of gross domestic product (GDP). In Europe family owned businesses represent between 60% and 70% of all SMEs, and contribute between 45% and 65% to the continent's gross national product (GNP) (European Family Business, 2019). In South-East Nigeria, no reliable database pertaining to family businesses exists. However, estimates indicate that family businesses are the predominant form of business. They comprise about 80% of all businesses in South-East Nigeria and 60% of the companies listed on the Nigeria Stock Exchange (NSE) (Onyeukwu et al., 2019; Chima, Helen, & Awota, 2018).

Succession Planning

According to Adedayo, Olanipekun, and Ojo (2016), succession planning is a process where firms plan for the future transfer of ownership. It is a dynamic process that requires the current business founder/ owners to plan for the company's future and ensure that the succession plan is well implemented. In the opinion of Adebayo et, al. this process usually occurs when the business owner/ founder wishes to exit from the business with sole aim of ensuring its continuity. The whole idea is to transfer ownership of the business to a successful successor which could be any member of the family.

In the opinion of Onyeukwu et al. (2019), succession planning should be part of an on-going process that critically examine what leadership and management skills are necessary for the on-going success of the company as it strives to meet its vision, mission and goals. They further added that a good succession plan should consider what would happen if the founders/ owners of the business were suddenly unable to carry out his or her leadership function. They concluded that a comprehensive succession plan should consider declining abilities and impending retirement as well as accidental death of the owner/founder. Adebayo et al. (2016) added that a good succession plan, in addition to outlining the business's future ownership form, organizational structure and management, should identify how the transition from one generation of leaders/owners to the next will be managed.

Barriers to Succession Planning

In the view of Chukwuma-Nwuba (2019), succession laws, customs, traditions and culture, are important factors in family business succession which might constitute barriers to succession planning. He explained that studies carried out has revealed that culture reflected in inheritance laws, extended family system, and formal education, training and development significantly influence the success of family business succession in Nigeria. In a literature review, Ogundele, Idris, and Ahmed-Ogundipe (2012) concluded that succession laws comprising native laws and customs, Islamic law, intestacy rules and the Will of an entrepreneur create succession problems in Nigeria's family businesses. In addition, Nwadukwe (2012) found that Igbo inheritance culture has a negative effect on succession process and business continuity. The study concluded that Igbo inheritance culture influences business succession and that the principles and practices undergirding customary inheritance culture in Igbo society constitute inappropriate mechanism for intergenerational transfer of business ownership. Chukwuma-Nwuba (2019) in his own study found out that business owners/ founders apply primogeniture rule of inheritance in selecting successors. He further noted that there are evidences of gender-bias in family business succession in that sons are favoured while daughters are discriminated against and sometimes excluded. Findings from the study indicate that the situation is similar in the customary practices of many Nigerian communities (Nwadukwe, 2012; Obadan & Ohiorenoya, 2013).

Concept of Inheritance Culture

According to Nwadukwe (2012), inheritance culture is the practice of passing on property, titles, debts, rights and obligations upon the death of an individual. It has long played an important role in human societies. However the rules of inheritance differ between societies and have changed over time[*]. Inheritances are transfers of the unconsumed material accumulations of previous generations (Chukwuma-Nwuba, 2019). Whenever a man died, his property including his business ventures were divided among its male children only (Nwadukwe, 2012). The females were not to partake (Danes, Stafford & Heck, 2018). The first-born male would take the larger share of whatever that was shared (Nwadukwe, 2012). When a man in his lifetime married more than one wife, after his death, his properties were divided among the first male issues of the wives (Nwadukwe, 2012).

In the opinion of Chukwuma-Nwuba (2019), the most important reason why inheritance culture is important to succession planning is that it often determines the effectiveness of various succession practices. Practices found to be effective in Igbo land may not be effective in a culture that has different beliefs and values (Nwadukwe, 2012). More

[*] http://en.wikipedia.org/wiki/inheritance

recently, numerous studies have identified the inheritance culture as critical to the successful succession process and family owned business longevity (Danes, Stafford, & Heck, 2018; Maas & Diederichs, 2017; Nwadukwe, 2012; Chukwuma-Nwuba, 2019). In their study Danes, Stafford, and Heck (2018) found that indigenous inheritance culture has significant influence on succession planning process at the different levels of management (Top, Middle and Lower levels) especially the chief executive cadre.

The Concept of Primogeniture (First Born) Rule of Inheritance and Succession

Primogeniture rule is a system where the oldest son in a family inherits everything, to equal sharing rules among all the sons of a founder (Joy, 2016; Obidigbo, 2015; Nwadukwe, 2012). Primogeniture is the right, by law or custom, of the firstborn to inherit the entire estate, to the exclusion of younger siblings (Wikipedia, the free encyclopedia). Historically, the term implied male primogeniture, to the exclusion of female (Onyeukwu et al., 2019).

In Igbo tradition, whenever a man died, his property was divided among his male children only (Nwadukwe, 2012; Joy, 2016; Obidigbo, 2015). The females were not to partake. The first-born male would take the larger share of whatever that was shared, but not a 'lion's share' (Joy, 2016; Nwadukwe, 2012). After the division, the shares were chosen in order of seniority. Before the division was carried out, a portion or a certain number of whatever was to be shared was brought out separately. It was this that the most senior or first-born, as the case might be would take and add to his own, after he had shared the remainder with his younger brothers on equal terms. Similarly, according to the Norman tradition, the first-born son inherited the entirety of a parent's wealth, estate, title or office and then would be responsible for any further passing of the inheritance to his siblings (Nwadukwe, 2012; Oyeniyi, 2015). In the absence of children by the founder, inheritance is passed on to the collateral relatives, in order of seniority of the males of collateral lines (Joy, 2016; Obidigbo, 2015).

In south-east Nigeria specifically Igbo society, succession planning follows the rules of inheritance which empowers the founder to bequeath his family businesses to his offspring or heir(s). The right of the eldest surviving son to succeed his father in the headship of the family and his commercial ventures is automatic and arise as a result seniority (Nwadukwe, 2012; Onuoha, 2013). Onuoha argues that only the father, as the owner and creator of the family property, can deprive the eldest son succession by a valid direction made with the aim of ensuring that the affairs of the family are properly managed by a person qualified on the grounds of intelligence and education to do so. In the absence of any such direction by the father, the right of the eldest son cannot be taken away without his consent.

Theoretical Framework

Hofstede's Five Cultural Dimensions

This study was basically hinged on Hofstede's Five Cultural Dimensions given that the work has been regarded as a paradigm in the field of cross cultural studies. The high-lights of the five dimensions are: power distance, uncertainty avoidance, individualism or collectivism:, masculinity versus femininity and long-term orientation.

Relevance of Hofstede's Cultural Dimensions

Hofstede's cultural dimensions is relevant to this study given that the focus is on South-East Nigeria which is predominantly Igbo society. Igbo culture can be described as *collective, highly power distance and masculine.*

A collective culture is one where there is a preference for a tightly knit social framework in which individuals can expect their sons, relatives, clan, or others in groups to look after them in exchange for unquestioning loyalty (Nwadukwe, 2012). Igbo society is a web of both family and kinship networks. Individuals in Igbo society are tightly knit in a well-structured family and kinship networks which determines his status, mobility and success (Nwadukwe, 2012).

Igbo culture is also characterized by high power distance given that the structure of organizations is hierarchical. Power distance refers to the extent to which inequality (hierarchy) is seen as an irreducible fact of life (Nwadukwe, 2012). Families too, support a structure of hierarchy with the father being the head of a family and the eldest son having more say in decision making than the younger ones. Children are expected to respect and obey their parents and restrain from questioning their authority. The elders of the families such as paternal or maternal grandparents are also considered wise and experienced and are to be treated with respect and reverence.

Furthermore, the Igbo society is a masculine society. Masculinity stands for a preference in society for achievement, heroism, assertiveness, and material success (Hofstede, 2001). Hofstede posits that a masculine society can be described as one in which there is maximum difference between the social roles of the sexes. The norm is that men are given the more outgoing, assertive roles and women the caring, nurturing roles. The polarity of roles assigned to or expected of a majority of men and women in Igbo society indicates that the indigenous culture is essentially masculine.

Empirical Review of Related Literature

Otika, Okocha and Ejiofor (2019) studied inheritance culture and management succession of family owned businesses in Nigeria. The study focused on inheritance culture and how it affects management succession of the family business. The researcher adopted descriptive design, the population of the study was (3,252) and sample size studied was 347 business owners/managers. The result shows that Primogeniture inheritance rule and Gender-restriction inheritance rule has statistically significant effect on management succession of family-owned business while multiple heir-ship inheritance rule is not statistically significant on management succession of family business. The study recommended the need for inheritance culture be modernized to allow succession effort thrive especially in family-owned businesses in Nigeria.

Ifekwem (2018) researched on preparing successor and family business sustainability in South-East, Nigeria. Survey research design was adopted using primary data. The findings revealed that there was a significant relationship between preparing successor and family business sustainability. The study recommended that South-East of Nigeria family business owners should endeavour to adequately prepare successors to continue the line of business.

Onyeukwu and Jekelle (2019) investigated leadership succession and sustainability of small family owned businesses in South East Nigeria. The study employed the survey research design with a sample size 298 family businesses registered in Onitsha and Nnewi commercial and industrial hubs of Anambra State. The findings revealed that, mentoring and human capital development has significant influence on sustainability of small family owned businesses. The study recommended that, family businesses owners should identify the successor early enough and adopt mentorship as a process to equipping the successor, who must however willingly show genuine interest and is not coerced into the business, and adequate time be devoted for training of chosen successors.

Gaps in the Literature on Inheritance Culture and Succession Planning

On the course of reviewing the literature the researcher identified gaps which are of very serious concerned. The first, the literature on family business management in the South-East Nigeria paid little attention to the influence of primogeniture rule on succession planning. Second, no empirical studies have been conducted on the problem of primogeniture culture and succession planning of inter-generational transfer of assets and the survival of family owned business on South-East Nigeria.

This study therefore focused on assessing the relationship between primogeniture rule, and succession planning and sustainability of family business and the findings and recommendations hopefully will serve as basis for improving the success and sustainability of family owned businesses in South-East Nigeria.

Methodology

Survey research design was adopted in carrying out the study. The method was used because the data for the study were collected from primary source using a questionnaire, and interviews . The analysis focused on primogeniture issues as it relates to succession planning

The population of study was drawn from family owned businesses in different sectors that registered with the Ministries of Trade, Commerce, Industry and Tourism in the south-eastern States of Nigeria as at 2021. A total of 250 family owned businesses was adopted as the population of study

The sample was determined using Yaro Yamane's formula. A sample size of 216 was computed which was shared across the sample enterprises proportionately using Table of Random Numbers:

The reliability of instrument was determined by a reliability test through the use of pilot study. Descriptive statistics such frequency counts with simple percentage was used for data analysis while Z-Score was used to test the hypothesis formulated.

Distribution and Return of Questionnaire

Table 1. Return rate of questionnaire

State	No of Distributed			Usable Returned			No. Not Returned			No Rejected	No Accepted	%
	OFs	MMs	NMs	OFs	MMs	NMs	OFs	MMs	NMs			
Anambra	44	60	112	44	56	100	0	4	12	16	200	92.6

Note: OFs (Owner-founders), MMs (Middle-managers) and NMs (Non-managerial staff)
Source: Field Survey, 2021

As shown in Table 1 above, out of the 216 copies of questionnaire sent out to the participating owner-founders, /managers and Non-managerial staff out of which 200 were returned, giving a response rate of 92.6%; 16 out of the 216 copies of questionnaire administered were not returned, thus, giving a non-response rate of 7.4%. These returns, in terms of response rate of 92.4% are reasonably high and adequate for a study of this nature.

Table 2. Successful handover of businesses and application of first born rule of inheritance

Rating	Founders		Managers		Non-Managerial Staff		Total	
	F	%	F	%	F	%	F	%
SD	2	15.4	5	9.43	7	5.22	14	7.2
D	2	15.4	4	7.55	2	1.5	8	3.8
N	1	7.7	1	1.89	2	1.5	4	2
A	1	7.7	23	43.40	70	52.23	121	60.4
SA	7	53.85	20	37.74	55	42.04	53	26.6

TOTAL	13	100	53	100	134	100	200	100
MEAN	3.69		3.71		2.78		3.95	
SD	1.48		1.55		2.48		2.59	

Source: Field Survey, 2021

Application of primogeniture rule of inheritance was studied in order to find out how this practice affects successful handover of business by owner-founders. The result of the analysis as shown in Table 3 reveals that only 14(7.2%) strongly disagree, 8(3.8%) disagree out of 200 respondents with the statement that owner-founders of family owned businesses in South Eastern Nigeria fail to successfully handover their businesses due to application of first born rule of inheritance, while majority of the respondents representing 121(60.4%) agree and 53(26.6%) strongly agree with the statement. However, 10(2%) were indifferent. Given that the acceptance cut-point was 3.0, the grand mean value of 3.95 indicates that all agree that handover of businesses is influenced by the application of first born rule of inheritance.

Table 3. Adequate training or preparation of first born(s) and business handover

Rating	Founders		Managers		Non-Managerial Staff		Total	
	F	%	F	%	F	%	F	%
SD	1	7.70	8	15.09	14	1045	26	12.8
D	1	7.70	4	7.55	12	8.96	12	6.2
N	2	15.38	6	11.32	15	11.19	27	13.4
A	6	46.15	15	28.30	50	37.31	70	34.8
SA	3	23.07	20	37.74	43	32.09	65	32.8
TOTAL	13	100	53	100	134	100	200	100
MEAN	3.81		3.57		3.71		3.68	
SD	1.41		1.89		1.37		1.76	

Source: Field Survey, 2021

The result of the analysis as shown in Table 4 reveals that only 26(12.8%) of the respondents strongly disagree, 12(6.2%) of the respondents disagree out of 200 respondents with the statement that owner-founders do not give adequate training or prepare their first born(s) to manage their business before handing over. In contrast, 70(34.8%) and 65(32.8%) of the study participants agree and strongly agree respectively with the statement while 27(13.4%) were indifferent. Given that the acceptance cut-point was 3.0, the grand mean value of 3.68 indicates that owner-founders do not give adequate training or prepare their born(s) to manage their business before handing over.

Table 4. First born(s) and willingness/readiness to take over

Rating	Founders		Managers		Non-Managerial Staff		Total	
	F	%	F	%	F	%	F	%
SD	1	9.09	9	9.09	5	2.98	3	5
D	1	9.09	2	8.33	4	2.38	9	4.4
N	2	12.12	7	5.30	6	4.77	11	5.4
A	5	36.36	25	44.69	69	64.77	115	57.6
SA	4	33.33	21	32.57	50	63.63	55	27.6
TOTAL	13	100	53	100	134	100	200	100
MEAN	3.75		3.76		4.06		3.98	
SD	1.57		1.50		2.98		3.25	

Source: Field Survey, 2021

First born(s) and willingness/readiness to take over was studied in order to find out how it upset the management succession process. The result of the analysis as shown in Table 5 reveals that only 3(5%) of the respondents strongly disagree, 9(4.4%) of the respondents disagree out of 200 respondents with the statement that some owner-founders hand over to their first born(s) who are not willing or ready to take over the business. 115(57.6%) and 55(27.6%) of the respondents agree and strongly agree respectively with the statement. Meanwhile, 11(5.4%) were indifferent. Given that the acceptance cut-point was 3.0, the mean value of 3.98 indicates that all agree with the statement.

Table 5. First born(s) and interest in the owner-founder's line of business

Rating	Founders		Managers		Non-Managerial Staff		Total	
	F	%	F	%	F	%	F	%
SD	1	7.7	8	15.10	10	7.46	12	6.2
D	1	7.7	4	7.55	6	4.48	8	4
N	1	7.7	5	9.43	8	5.97	21	10.6
A	6	46	24	45.28	65	48.51	104	51.8
SA	4	30.77	12	22.64	45	33.58	55	27.4
TOTAL	13	100	53	100	134	100	200	100
MEAN	3.81		3.77		3.96		3.90	
SDEV	1.47		1.12		1.21		0.75	

Source: Field Survey, 2021

An enquiry on the first born' interest in the owner-founders' line of business was sought in order to find out if businesses were handed over without considering it. The result of the analysis as shown in Table 6 reveals that only 12(6.2%) of the respondents strongly disagree, 8(4%) of the respondents disagree out of 200 respondents with the statement. 104(51.8%) of the respondents agree and 55(27.4%) of the respondents strongly agree with the statement. However, 21(10.6%) were indifferent. Given that the acceptance cut-point was 3.0, the grand mean value of 3.90 indicates that all agree that businesses are handed over to first born(s) even when some are not interested in that line of business.

Table 6. The competence of the first born and business handover

Rating	Founders		Managers		Non-Managerial Staff		Total	
	F	%	F	%	F	%	F	%
SD	3	23.08	7	13.21	9	7.46	26	13
D	2	15.38	3	5.66	6	4.47	10	5
N	2	15.38	2	3.77	8	5.9	11	5.2
A	1	7.70	32	60.38	75	57.01	117	58.4
SA	5	38.46	9	16.98	36	26.56	46	23.2
TOTAL	13	100	53	100	134	100	200	100
MEAN	3.69		3.60		3.95		3.84	
SDEV	1.08		1.22		1.60		1.04	

Source: Field Survey, 2021

An enquiry on the competence of the successor was studied in order to find out if it is considered before hand over of business. The result of the analysis as shown in Table 7 reveals that only 26(13%) of the respondents strongly disagree, 10(5%) of the respondents disagree out of 200 respondents with the statement. 117(58.4%) of the respondents agree and 46(23.2%) of the respondents strongly agree with the statement. However, 11(5.2%) were indifferent. Given that the acceptance cut-point was 3.0, the grand mean value of 3.84 indicates that all agree that businesses are handed over to first born(s) even when some are not competent enough to man the business.

Test of Hypothesis

Ho: There is no significant relationship between primogeniture rule (rule of first born and longevity of family owned business in south-east Nigeria.

Ha: There is significant relationship between primogeniture rule (rule of first born and longevity of family owned business in south-east Nigeria.

Data from Tables 2 to 6 above were used to test the hypothesis – using Z – test.

Table 7. Summary of Tables 2 to 6

Rating	**Table 2**		**Table 3**		**Table 4**		**Table 5**		**Table 6**	
	F	%	F	%	F	%	F	%	F	%
SD	14	7.2	26	12.8	3	5	12	6.2	26	13
D	8	3.8	12	6.2	9	6.56	8	4	10	5
N	4	2	27	13.4	11	8.05	21	10.6	11	5.2
A	121	60.4	70	34.8	115	57.6	104	51.8	117	58.4
SA	53	26.6	65	32.8	55	27.6	55	27.4	46	23.2
Total	200	100	200	100	200	100	200	100	200	100
Mean	3.95		3.68		3.98		3.90		3.84	
SD	2.59		1.76		3.25		0.75		1.04	

Source: Field Survey, 2021

Table 8. Z-analysis of the factors associated with primogeniture (first born) and management succession process

		N	**Mean**	**Std Dev.**	μ	**Zcal**	**Zcrit**	**Decision**
1	The ✓	200	3.95	2.59	3.00	8.6	1.96	Significant
2	✓	200	3.68	1.76	3.00	8.5	1.96	✓
3	✓	200	3.98	3.25	3.00	6.5	1.96	✓
4	✓	200	3.90	0.75	3.00	30	1.96	✓
5	✓	200	3.84	1.04	3.00	16.8	1.96	✓

Source: Field Survey, 2021

The above hypothesis is based on the assumption that factors associated with primogeniture are not related to longevity of family Business. To measure the statistical significance of this result, the hypothesis was tested using data from Tables 2 to 6 above using Z – test statistic. As shown in Table 8 above, all the calculated Z values (8.6, 8.5, 6.5, 30, 16.8) on the 5 items on whether there is relationship between primogeniture culture and longevity of family Business were greater than the critical Z value (1.96) at 0.05 level of significance.

The decision rule

Since the calculated Z-score is greater than the critical value (if Z-cal ≥ Z-crit = 1.96, where, $\alpha = 0.05$ level of significance), the null hypothesis was rejected and the alternative accepted it was therefore concluded that there is significant relationship between primogeniture rule (rule of first born and longevity of family owned business in south-east Nigeria.

Discussion of Findings

Questions based on the factors associated with primogeniture (willingness to take over, preparation level of the heir and the relationship between owner-founder and successor) were analysed. The responses from the table show that 81.6% (58.4% agree and 23.2% strongly agree) of the respondents are of the opinion that successor related factors severely affect succession planning process. The computed mean of the responses is 3.84 which is above the expected mean of 3.0. These factors depicts the extent to which the family owned businesses achieve successful succession. The analysis indicates that there is a positive relationship between the factors associated with primogeniture and successful succession planning and longevity of family business.

The result aligns with Nwadukwe (2012) findings that the most symptomatic of the cultural constraints affecting succession planning process within the family owned businesses are the primogeniture rules that govern many of these businesses. Such rules vary from strict primogeniture, where the first born (oldest son) inherits everything, to equal sharing rules among all the sons of the founder Nwadukwe posits that rigid primogeniture severely restrict the founders' ability to select the most talented person to take over the business. If the oldest son is not talented, primogeniture will endanger the survival of the entire business. In addition, equal sharing rules that involve all of the sons of a founder in the business might breed conflict, since cooperation between siblings can be difficult to achieve.

Summary of Findings

The study shows existence of a positive relationship between factors associated with primogeniture (first born) rule of inheritance and succession planning and longevity in family owned businesses in South Eastern Nigeria since the result yielded Z-Cal values = 8.6, 8.5, 6.5, 30, and 16.8 $\geq$ Z-Crit = 1.96, $\alpha = 0.05$).

Conclusion

The importance of succession planning to long-term stability, survival and sustenance of family owned business cannot be over emphasized, especially in a competitive business environment. Based on the findings of the study, it can be inferred that succession planning is Succession planning is influenced by the primogeniture rule of inheritance in the South-East Nigeria. It was also observed that ineffective succession plans by founders pose obstacles to the business sustainability. Succession planning and documented procedures for developing and grooming successor/heir were less observed in all the cases.

The presence of these factors reduces the effectiveness of succession planning process and implementation and also played an important role in shaping the organisation of businesses and their efficiency.

Recommendations

Based on the findings and conclusions of this study, the researcher make the following recommendations which will be relevant, not only to family owned business in South Eastern Nigeria, but also to the entire nation and government owned firms.

1. Owner-managers should acknowledge the importance of succession planning and develop a well designed, functional succession plan for the future.
2. Plans for sustainability can and should be built into the vision and administration of the family business when the owner is still in control.
3. Whether the owner-founder wants to leave the business to his offspring or to professional managers, it is important to bring the potential successor into the organisation as soon as possible. Especially for his offspring, the owner-founder should gradually prepare the successor for leadership through a lifetime of learning experience.

4. Research reveals that primogeniture rule of inheritance culture plays a significant role in affecting succession planning and longevity in family owned businesses. In order to achieve effective succession in these businesses, owner-founders should pay ample attention to managing culture.

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