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Succession Planning and Sustainability of Family Businesses and in South-East, Nigeria

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Abstract: *This study aimed at identifying the effect of succession planning and sustainability of family businesses and in south-east, Nigeria. The overall objective of this research was; to determine the effect of mentoring, financing decisions and job rotation of successors on sustainability of family businesses in south-east, Nigeria. This work was anchored on social exchange theory. A descriptive survey research design was used and the population was 1060. The sample size for the study was determined using borg and gall (1973) formula which was given as 203. Data collected through the questionnaire were described using descriptive*

statistics while Pearson product moment coefficient of correlation was employed to test the hypotheses. This study however, has shown that mentoring positively influences sustainability of family businesses in south-east, Nigeria with t_{cal} (3.377) and t_{tab} (2.35); finance decisions positively influence sustainability of family businesses in south-east, Nigeria with t_{cal} (3.377) and t_{tab} (2.35); job rotation positively influences sustainability of family businesses in south-east, Nigeria with t_{cal} (3.377) and t_{tab} (2.35). The study concluded that succession planning has a significant positive effect on sustainability of family businesses in south-east, Nigeria. Based on the findings, the study recommended that management of family businesses should develop mentorship program that will enable young successors to acquire necessary skills, knowledge, and capabilities needed to address leadership challenges, and cultivate the right ethical culture for family business sustainability.
Keywords: succession planning, sustainability, family businesses, South-East, Nigeria

INTRODUCTION

The contributions of private or family-owned business in terms of employment generation to millions of unemployed youths, increase in gross domestic product (GDP), poverty reduction etc to the Nigerian economy cannot be over emphasized. In virtually every country of the world, private indigenous enterprises are seen as an engine of growth and are among the most important contributors to wealth and employment creation because they employ more than 50% of the private sector workforce (Nnabuife, et al, 2017). In every family-owned business, planning for succession is critical to ensuring the continuity of any family-owned business and lack of planning could put large numbers of Igbo family businesses at undue risk and have serious impact on the national economy (Adedayo, et al, 2016).

Family-owned businesses have made a remarkable pace in history as the oldest form of business but despite their place as the oldest and making major contributions to the economy, their survival rate appear to be appalling as only a handful of them survive more than founders' generation especially in south-east, Nigeria (Nnabuife, et al, 2017). It is surprising that such family members are not gifted with the skills required for the operation and management of the business. According to empirical literatures, most family-owned businesses that endeavor to effect leadership and control succession of the business enterprise to family members in the succeeding generation, often have unexpected outcomes that supposed family members do not usually possess the capabilities necessary for the sustainable management and operation of such enterprise (Onyeukwu, et al, 2019). Some enterprises such as Michelin, Armani, Walmart, Home Depot, and IKEA which were founded by families and are still managed by the founding families are still dominating most of the world's economies but concerns have been raised by authors that the survival rates of such businesses show that only about one-third of family

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businesses survive the transition from founder ownership to second generation owner management and only one-third tend to survive the transition to the third generation. The unique challenges family businesses face apart from market challenges are the involvement of family members in business management, training levels, Finance and management, lack of succession planning, relationship between family members and partners, and succession experience levels while the businesses managed by board member teams made up of largely family members, conflicts often arise (Cho, et al, 2018). Generally, sustainability is about inter-generational equity and sustenance. It is about present consumption in consideration for the needs of future generations (Onu, et al, 2023).

The enormous number of the family-owned businesses in Nigeria that have either shut shop or quit working appropriately at the death of their founders is because of what seems, by all accounts, to be the absence of proper succession plans. Although, most of the literature on succession planning and sustainability of family businesses in Nigeria agreed that succession was a problem, they however seemed to blame the low survival of family businesses on their not having succession plan/strategies without scientifically measuring and establishing if a succession plan or having succession strategies in place would lead to the sustainability of the family businesses. This study aims to cover this gap by empirically investigating if succession planning strategies would lead to sustainability of family businesses, using South-East, Nigeria as the study area.

Statement of the Problem

Lack of proper and adequate succession planning strategies has made Family businesses in south-east, Nigeria to either shut down or stopped functioning properly at the death of the founder. Despite the known contributions of family businesses to the growth of Nigerian economy, majority of family-owned businesses are confronted with business continuity challenge, as 95% of these family businesses rarely survive up to the third generation of enterprise ownership, less than one-third make it up to the second generation and less than half of a second generation make it to the third generation when the owner retires or dies Most family businesses do not take into account the dire importance of putting in place succession plans for the continuity of the family business which has militates against the survival of family-owned businesses. family businesses in south-east encounters different challenges such as global competition, increased market competition, high government taxes and unconducive economy, unstable government policies and limited capital and not putting in place a qualified and skilled successor to manage all these challenges will lead to the close down of the business.

Although, it seems that some critical issues in family business succession failure in Nigeria is the resistance of owners/ founders to completely retire from the management and allow a successor to take full charge even when it is apparently clear that they are too weak or suffering from health challenges to carry on with the herculean task of running such a business, inability of family business founders to thoroughly mentor a successor that will eventually succeed them at retirement or death, owners seem to always stick to a family member successor particularly their first son, irrespective of the anointed potential successor‘s interest and capability to carry on with the family business, and thereby ignoring completely the option of handing over the management of their businesses to competent non-family member, family/succession crises handling which is characterized by court litigations and injunctions; which bread hatred and the eventual destruction of harmonious working relationship in the business which can be seen in the case of the late Chief Odumegwu Ojukwu‘s business empire, and the late Chief Augustine Ejikeme Ilodibe; the owner of Ekene Dili Chukwu Transport Company Ltd.

Effective strategies have been developed to combat the excesses of succession planning. Despite this, family businesses in recent times are still faced with all these challenges. It is against this backdrop that the study is poised to examine succession planning and sustainability of family businesses in South-East, Nigeria.

Objectives of the Study

The overall objective of this research is to investigate succession planning and sustainability of family businesses in South-East, Nigeria. In order to achieve this, the research attempted to achieve the following objectives;

1. To determine the effect of mentoring and sustainability of family businesses in South-East, Nigeria.

2. To investigate the degree to which financing decisions affect sustainability of family businesses in South-East, Nigeria.

3. To ascertain the influence of job rotation of successors affect sustainability of family businesses in South-East, Nigeria.

Research Questions

The following research questions were formulated to achieve the objectives of the study:

1. To what extent does mentoring affect sustainability of family businesses in South-East, Nigeria?
2. To what degree does financing decisions affect sustainability of family businesses in South-East, Nigeria?
3. To what degree does job rotation of successors influence sustainability of family businesses in South-East, Nigeria?

Hypotheses

The following null hypotheses were formulated to guide this study:

Hypothesis One

Ho_1: Mentoring has no significant effect on sustainability of family businesses in South-East, Nigeria.

Hypothesis Two

Ho_2: financing decisions has no significant effect on sustainability of family businesses in South-East, Nigeria.

Hypothesis Three

Ho_3: Job rotation has no significant effect on sustainability of family businesses in South-East, Nigeria.

Significance of the Study

This study will be indispensable to many. To the entire Nigerian populace, this study will broadly enlighten them on the concept of succession planning strategies and how it affects continuity of family organizations.

Also, the Nigerian government is not left out. This promising research piece will clearly show the public authorities and government officials how to encourage sustainability of family businesses by giving access to credit facilities to family business owners, creating a conducive economic and political atmosphere as they have been identified as engine of economic growth and development of family businesses.

To family business organizations, this study will show the founders or CEOs on how to plan ahead and develop succession plans to be put in place to ensure that the right successor is mentored, trained and acquires the right skills to take over the business after the demise or the retirement of its founders.

Coming to the field of academics, this research piece will undoubtedly be a wealth of knowledge to students of Business Administration, Economics and other disciplines as well as lecturers of tertiary institutions mainly. It will surely impart learning, contribute to knowledge and serve as a base for further research works in areas relating to the effect of succession planning and sustainability of family businesses in South-East, Nigeria.

Conceptual Review

Mentoring and sustainability of family businesses

Mentoring is among the few tools used/needed for preparing tomorrows' skilled employees and are also used to strengthen organizational capabilities, intelligence, build organization knowledge, and sustain the organization competitive advantage (Oforbruku, et al, 2015). Mentoring incorporates the mentor and the mentee and while the relationship should be two-way, with the two players potentially benefitting from the exchange, the mentor, by thought, is the person who will overall be more able and taught than the mentee (Ayoola, et al, 2023). Mentoring nurturesthe growth and potential of both participants within their business roles. The purposeof mentoring is to develop the talent of both individuals and enrich the organisation'shuman capital, thereby benefiting the organization (Szirmai, et al, 2019). Mentor are in positions where they are able to impart knowledge that they have amassed over time to the next generation; this sharing of knowledge ensures that in some way their legacy lives on because knowledge transfer from one generation to the next is critical to the success of family businesses. It helps to fill the gaps in learning left behind by formal education alone (Nnabuife, et al, 2017).

Financing decisions and sustainability of family businesses

Financing decision is most important strategic decision of the firms, which is taken by the founder of family businesses and many characteristics of the firms affect the capital structure, such as family ownership, size, tangibility, profitability, dividends, non-debt tax shield, past earnings and liquidity (Imran, et al, 2019). Typical financial issues applied to the family business assume a different profile because of the interaction between two systems, the family and the business and financial challenges play and essential role as the business grows; from the family members 'perspective, the business must provide security and comfort and divergences emerge among active and passive shareholders (Gallucci, et al, 2017). Previous family literatures that analyzed the debt policy reveal that debt level depends upon whether owner families make use of control-enhancing mechanism (Tahir, et al, 2016). The future of the family members, maintaining the independent nature of the family business and the preservation of family unity depend on the growth of the family business and its capacity to generate sufficient profit for all its members. The number of people who live off the family business revenue increases generation after generation. To increase profit and accelerate growth, a business requires strong financing and is not always easy and finding financing can be very difficult for a business, especially a family business (KPMG, 2014). As a result, many family businesses walk a fine line between successfully attracting funding, and monitoring the impact this may have on the family's control of the business and its information. The issue of maintaining control and independence imposes limits on the possible routes for family business financing, including private trade sales, initial public offerings (IPOs) and private equity (PE) (KPMG, 2014).

Job rotation and sustainability of family businesses

In a world of increasing competition, employee training has become an important strategic activity in a contemporary firm. Extant research has gone a long way in enhancing our understanding of training strategies such as job rotation. In the last few decades, family businesses in developing countries as Nigeria have increasingly been exposed to an environment of economic and regulatory reforms geared towards free market where they have to compete not only with local competitors but also with foreign firms that come with superior talent and unique skill development practices. In light of this trend, it becomes imperative for family businesses within these liberalized market and regulatory regimes to pay close attention to employee training as a strategic activity for their survival and sustainability (Aremya, et al, 2016). Rotating jobs among successors makes them to have vast knowledge about a variety of jobs. It also facilitates their personal growth, makes them more competent in several jobs, and leads to development of wide range of skills among them. According to Arasanmi and Krishna (2019) in Suleman, et al (2022), job rotation also enhances employees' learning and skill acquisition and allows them better to understand the capabilities and challenges of other departments. Job Rotation implies systematic movement of employees form one job to the other. With job rotation, an employee is given an opportunity to perform different jobs, which enriches his skills, experience and ability to perform different jobs (Patel, 2021). Job rotation is one of the basic functions of human resource management. As this activity creates an effective, distinguished and low-risk organization, and through this activity, the administration will ensure that individuals/successors acquire all the required experiences within the organization, support innovation and development within its departments, reduce work turnover risks, reduce burnout and achieve job satisfaction (Ghaffari et al., 2021 in Sulaiman, 2022).

Succession planning and sustainability of family businesses

Succession is one of the most important processes of a family business's life cycle due to its substantive effect on the firm's strategy, culture, goals, values, structure, staff, and survivability (Szirmai, et al, 2019). Succession planning is an ongoing, purposeful and systematic identification of qualified and appropriate successors to leadership, with a commitment to assessing, developing and investing in organizational leadership to enhance performance, development and preparedness (Adia, et al, 2020). According to the 'Financial Times', business sustainability represents resiliency over time-businesses that can survive shocks because they are intimately connected to healthy economic, social and environmental system. Such businesses create economic value and contribute to healthy ecosystem and strong communities. Chua, Chrisman, and Sharma (1999) in Cho, et al, (2017) state that family business is predominately grounded on the idea of ensuring the business ownership remains within the close control of family members over a successive generations. Existing literature reveals that only 20% of family businesses survive for more than 60 years. Such low survival rates of family businesses warrant further investigation, since it not only influences the family itself, but also the employees and the surrounding community who are economically dependent on the family enterprise. Managing succession is one of the biggest problems being faced by family businesses all over the world. One of the main reasons for this is that family businesses often choose the wrong heirs to manage them (Awogbemi, et al, 2022).

Theoretical framework

This work is anchored on social exchange theory. This theory was propounded by Balu in 1964. The social exchange perspective is regarded as one of the most influential paradigms for understanding behaviors within the firm. Social exchange theory provides an overarching mechanism to understand the economic and social factors that govern the allocation and exchange of scarce resources in a social system (Daspit, et al, 2016). It occurs within the employment relationship when a psychological contract is created that includes the perceived commitments that employees believe their organizations have made to them (Bano, et al, 2024). .Social exchange theory covers social interactions (i.e., succession planning practices) with a system (i.e., organizations). Social exchange theory helps understand the structure that define, condition, and constrain succession processes in family firms while retaining the ability to fully incorporate individual motives and agency. It suggest establishing long-term relationship based on trust and commitment that can outweigh the costs of managing succession process. Social exchange theory argues that trust, loyalty, and mutual relationships develop over time through negotiated rules and norms of reciprocity. In mentoring, for example, mentors oftenexpect better work or loyalty from protégés in exchange for the time and effort they have invested. Conversely, generalized exchanges are based on indirect reciprocity where individuals do not expect an immediate or equal return, but receive benefits derived from group cohesion and contributions to the overall health of an organization (Dhaenens, et al, 2017).

Empirical review

Awaogbemi, Abubakar and Oluwade (2022) investigated the effect of succession planning strategies on the sustainability of family businesses in Nigeria, using mentoring, training, job rotation, coaching, talent management and internship as proxies of succession planning. The calculated sample size of 390 businesses was taken from a target population of 16,363 small businesses in the database of the Nigeria's National Bureau of Statistics. To provide for anticipated "no response", 443 questionnaires were administered, out of which 435 (98.2%) returned valid. The data collected was analyzed using descriptive and inferential statistics. Results of analyzed data from the study indicate that mentoring, training, job rotation, coaching, talent management and internship as succession planning strategies are positively correlated to sustainability of family businesses with statistical significance. This is corroborated by the F-test result with F statistic (202.5) larger than (2.01) critical F value and p-value (0.000) which is smaller than the (0.05) alpha level, implying that a significant joint impact of all the independent variables exists on the dependent variable (sustainability). Although the study is located in Nigeria, the results can be generalized to other countries as evidence from literature suggests that family owned businesses worldwide share similar characteristics irrespective of location.

Adias and Akenebo (2020) investigated the effect of succession planning on organizational survival of family business. To achieve this purpose, research questions were raised, hypotheses were formulated, and a review of literature was made. The population for this study consisted of one hundred and eighty-seven (187) private primary schools in Rivers State. Data for this study were collected from the schools‟ records, and were analysed using mean and standard deviation while the Pearson product moment coefficient of correlation was used together with t-statistics to test the significance of the relationship. The findings from the study show that 30% of the

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proprietors of private primary schools in Rivers State are successors and not the original owners; 15% of the schools have career development programmes; 19% have talent retention programmes; while the rate of staff turnover is at 22%. In all, succession planning in private primary schools in Rivers State is about 41.3%, which is adjudged to be low. In view of the above, it is recommended that private primary schools in Rivers State should initiate and implement a career development programme for outstanding staff by either sponsoring them to attend conferences or partly pay their fees for higher degree programme; offer special rewards or recognition to outstanding staff; and minimize staff turnover by offering them retirement benefits.

Okeke, Akpamgbo, Dike and Williams (2025) investigates the influence of workplace management on organizational productivity among aluminum manufacturing firms in Anambra State, Nigeria. The research focuses on the effects of resource management, employee training, and inventory planning on operational efficiency and normative commitment. Using a descriptive survey design, data were collected from a sample of 359 employees selected via stratified random sampling. Pearson correlation analysis revealed a moderate to strong positive relationship between resource management and operational efficiency ($r = 0.62$, $p = 0.0001$), indicating that effective resource allocation enhances productivity.

Jideofor, Okeke & Okeke (2023) examined the succession planning and family business sustainability in medium and large scale enterprise in Anambra state. This study adopted the survey design which allows for the collection, analysis and interpretation of original data from the respondents, survey design describes the present situation and problems in their natural setting and allows a sample representing the population to be drawn. The area of this study is Anambra state which is a state in southeastern part of Nigeria. The total population for the study is one hundred and fifteen enterprises (115) that are registered with Chamber of Commerce, Industry, Mines and Agriculture (Nnewi, Onitsha and Awka) Anambra state, Nigeria. The sources of data include primary and secondary data. The study employed structure questionnaire as a method of data collection. Meanwhile percentage table, correlation and regression analysis will be used to analyze the collected data from the sample respondents. In view of the findings, the study found that explicit education has positive relationship on recruitment in family business in Anambra state, Nigeria (r2-0.132, p-0.016),

Ifechukwu-jacobs, & Atueyi, (2025) appraised the material management and productivity of Nigerian Bottling Company. The researcher developed four objectives such as; To determine the extent to which planning, material procurement, logistic and stock and waste control on productivity in Bottling Companies in Onitsha. This study is anchored on inventory management theory which posits that the chain of movement of material and information depends to a large extent on the availability of materials and the quality of information at the disposal of the chain operator. The study adopted survey method of research. Data were generated through primary and secondary sources. The method for data collection was questionnaire which was administered randomly among the staff of Nigerian Bottling Company. The population of the study was 288 staff. while two hundred and seventy (270) questionnaires were retrieved. The hypotheses were tested using regression analysis method at 0.05% level of significance. The findings of the study revealed, Planning has a significant effect on productivity in Bottling Companies in Onitsha given its F-value of 14.027.

Ujomudyke, Dike, Okeke and Eboh (2024) aimed at investigating the effect of government policies and performance of pharmaceutical firms in South-East, Nigeria the specific objectives were; Determine the extent of relationship between tax policies and competitive advantage of Pharmaceutical industries in South-East, Nigeria; Evaluate the effect of regulatory policies and quality control of Pharmaceutical industries in South-East, Nigeria; The research work was anchored on and rational-choice theory. Survey research design was adopted. The population of the study was 1881. The statistical formula devised by Borg and Gall (1973), was employed to arrive at a sample size of 361. Pearson product-moment correlation analysis method was used in testing the hypotheses. The result of the hypotheses showed that Tax Policies has a significant positive effect on competitive advantage of Pharmaceutical industries in South-East, Nigeria. Pearson's product moment correlation coefficient values between tax policies and competitive advantage of Pharmaceutical industries revealed ($r = 0.769$, $p<0.05$);

METHODOLOGY

Research Design

This research work adopted descriptive survey method.

Area of the Study

The study was carried out in South- East, Nigeria. South-east comprises of five states (Anambra, Imo, Enugu, Ebonyi and Abia states).

Population of Study

Stratified sampling method was adopted in selecting five family businesses in this study due to the large number of family businesses in South-east, Nigeria and the population drawn was 1060.

Determination of Sample Size

The sample size for the study was determined using Borg and Gall (1973) formula which states as follows:
$n = (2^a x)^2 (e) [N]$ where:
n = sample size to be determined
$2(^a x)$ = confidence level (1.060) at 0.05
e = error margin (0.05)
N = Population of interest (1060)
a = significant level
Therefore, $n = (1.960)^2 (0.05) [1060]$
n = 400
Hence the sample size is calculated to be 203.

Sample Frame

The sample frame will be determined by the use of proportional stratified random sampling.

The fraction is $\frac{\text{Sample size}}{\text{N (population)}} = \frac{203}{1060} = 0.191509433$

Sample Size and Sampling Technique

The family businesses were selected using stratified sampling techniques due to the large number. The sampling technique used is purposive sampling. Research participants included in the research was chosen based on the following attributes- key personnel (owners and administrative staff), the business should be a family business, should have been inexistence for more than 5 years, should be run by either first, second or third generation of family members.. However, this was done in order that the researcher could be equipped with the ability to judge, select or reject a respondent on the basis that he or she meets or fails to meet the purpose of the research.

Method of Data Analysis

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The need to enhance easy comprehension and analysis prompted the use of descriptive statistical method of analysis like the frequency distribution table, simple percentages

Furthermore, the Pearson product moment correlation coefficient formula was used:

$$r = \frac{n\sum xy - \sum x.\sum y}{\sqrt{[n\sum x^2 - (\sum x)^2[n\sum y^2 - (\sum y^2)]}}$$

Nevertheless, T-test for test of significance was adopted to equally estimate for the significance of the coefficient and to ascertain whether the claim of the null or alternative hypothesis would still remain valid after the test.

$$T_{cal} = \sqrt{\frac{n-2}{1-(r)^2}}$$

Data Presentation and Analysis

In this section, the data generated from the employee of the sampled selected family businesses were presented, analyzed and interpreted. A total of two hundred and three (203) questionnaires were distributed to the respondents, out of which one hundred and eighty-seven were properly filled and found relevant to the study.Sixteen copy were not properly filled. Therefore, the analysis in this section will be based on the two hundred eighty-seven relevant copies. The first section covers the demographic features of the respondents. The second section will analyze the data relevant to research questions.

DEMOGRAPHIC DATA OF RESPONDENTS

ITEM	RANGE (YEARS)	FREQUENCY	PERCENTAGE

Males		107	57
Female		80	43
Total		187	100
Age:	20-29	35	19
	30-39	41	21
	40-49	28	15
	50-59	34	19
	60 & above	49	26
Total		187	100
Educational qualification	GCE/WASCE	16	9
	OND/NCE	78	41
	HND/B.Sc	35	19
	M.Sc/MBA/Others	58	31
Total		187	100
Work Experience	5years	70	37
	6-10years	45	24
	10years & above	72	39
		187	100
Job positions	Top management/owners	25	14
	Middle management	92	49
	Operational staff	70	37
Total		187	100

SOURCE: FIELD SURVEY, 2024

Table 4.1.1 indicates that 107 staff are males while 80 are females. This is presented by 57% and 43% respectively. Concerning the age, majority is within the age range of 60 & above and 30-39 years. These are represented by 49 respondents and 26% and 41 respondents and 21%. The minorities are within the range of 40-49 years represented by 28 and 15%, 50-59 represented by 34 and 19%, and 20 - 29 years and above represented by 35 and 19%. Concerning the educational qualification, majority of the workers shows that they obtained tertiary educational qualification. This is represented by 78 respondents and 41%. About work experience, 10 years and above experience is represented by 72 respondents and 39%, 6-10 years' experience and it is represented by 45 respondents and 24%, and 5 years represented by 70 and 37%. About job position, majority are middle management and is represented by 92 respondents and 49%.

Analysis of research questions

Research Question 1: To what extent does mentorship affect sustainability of selected family businesses in South-East, Nigeria?

Table 4.1.2: Responses on Mentorship and Sustainability of Family Businesses.

	SCALE					
	SA,	A,	U,	D,	SD	TOTAL
Mentoring enables the positive transmission of organizational values, culture, goals and vision.	102 (55)	54 (29)	10 (5)	11 (6)	10 (5)	187 (100)
Mentoring increases the skills, abilities and Talents	112 (60)	47 (25)	4 (2)	16 (9)	8 (4)	187 (100)
Mentoring gives opportunities for the development of competence, capabilities, productivity and performance	93 (50)	54 (28)	13 (7)	16 (9)	11 (6)	187 (100)
Encourages communication and trust and Transfer valuable knowledge	72 (38)	89 (48)	15 (8)	4 (2)	7 (4)	187 (100)
It encourages commitment, loyalty and patriotic leadership	107 (57)	61 (33)	9 (5)	4 (2)	6 (3)	187 (100)
Total	97 (52)	61 (33)	10 (5)	10 (5)	9 (5)	187 (100)

Note: The figures in Parenthesis are Percentages
SOURCE: FIELD SURVEY, 2024

In table 4.1.2 five test questions were posed to determine the extent to which mentorship affects sustainability of selected family businesses in South-East, Nigeria

The first test question was to determine if mentoring enables the positive transmission of organizational values, culture, goals and vision. From the responses 55% strongly agreed, 29% agreed, 5% remained undecided, 6% disagreed and 5% strongly disagreed.

The second test was posed to ascertain if mentoring increases the skills, abilities and Talents. From the responses 60% strongly agreed, 25% agreed, 2% remained undecided, 9% disagreed and 4% disagreed.

The third test question sought out to determine if mentoring gives opportunities for the development of competence, capabilities, productivity and performance. From the responses 50% strongly agreed, 28% agreed, 7% remained undecided, 9% disagreed and 6% strongly disagreed.

The fourth test question was to ascertain encourages communication and trust and transfer of valuable knowledge. From the responses 38% strongly agreed, 48% agreed, 8% remained undecided, 2% disagreed and 4% strongly disagreed.

The fifth test question sought out to determine if it encourages commitment, loyalty and patriotic leadership. From the responses 57% strongly agreed, 33% agreed, 5% remained undecided, 2% disagreed and 3% strongly disagreed.

The table shows that 52% of the respondents on the average strongly agreed with the Statement of the items, 33% agreed, 5% were undecided, 5% disagreed and 5% strongly disagreed. Highlight of the Statement of the items shows that mentorship affects sustainability of selected family businesses in South-East, Nigeria.

Research Question 2: To what degree does finance decisions affect sustainability of selected family businesses in South-East, Nigeria?

Table 4.1.3: Responses on finance decisions and Sustainability of Family Businesses.

	SCALE					
	SA,	A,	U,	D,	SD	TOTAL

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Finance decision is most important strategic decision of the firms, which is taken by the top-level management of the organization	100 (53)	61 (33)	7 (4)	9 (5)	10 (5)	187 (100)
The future of the family members, maintaining the independent nature of the family business and the preservation of family unity depend on the growth of the family business and its capacity to generate sufficient profit for all its members	104 (56)	57 (31)	14 (7)	6 (3)	6 (3)	187 (100)
The issue of maintaining control and independence imposes limits on the possible routes for family business financing	103 (55)	49 (26)	17 (9)	10 (6)	8 (4)	187 (100)
The amount of capital available through traditional non-equity sources, such as bank debt, may not match the number of high-quality opportunities available to them.	109 (58)	62 (33)	5 (3)	4 (2)	7 (4)	187 (100)
Family firms use high debt ratio to maintain their control over the firm.	106 (57)	59 (31)	9 (5)	4 (2)	9 (5)	187 (100)
Total	104 (55)	58 (32)	10 (5)	7 (4)	8 (4)	187 (100)

Note: The figures in Parenthesis are Percentages
SOURCE: FIELD SURVEY, 2024

In table 4.1.3 five test questions were posed to determine the degree to which finance decisions affects sustainability of selected family businesses in South-East, Nigeria.

The first test question was to determine if Finance decision is the most important strategic decision of the firms, which is taken by the top-level management of the organization. From the responses 53% strongly agreed, 33% agreed, 4% remained undecided, 5% disagreed and 5% strongly disagreed.

The second test was posed to ascertain if it the future of the family members, maintaining the independent nature of the family business and the preservation of family unity depend on the growth of the family business and its capacity to generate sufficient profit for all its members.

From the responses 56% strongly agreed, 31% agreed, 7% remained undecided, 3% disagreed and 3% disagreed.

The third test question sought out to determine if the issue of maintaining control and independence imposes limits on the possible routes for family business financing. From the responses 55% strongly agreed, 26% agreed, 9% remained undecided, 6% disagreed and 4% strongly disagreed.

The fourth test question was to ascertain if the amount of capital available through traditional non-equity sources, such as bank debt, may not match the number of high-quality opportunities available to them. From the responses 58% strongly agreed, 33% agreed, 3% remained undecided, 2% disagreed and 4% strongly disagreed.

The fifth test question sought out to determine if family firms use high debt ratio to maintain their control over the firm. From the responses 57% strongly agreed, 31% agreed, 5% remained undecided, 2% disagreed and 5% strongly disagreed.

The table shows that 55% of the respondents on the average strongly agreed with the Statement of the items, 32% agreed, 5% were undecided, 4% disagreed and 4% strongly disagreed. Highlight of the Statement of the items shows finance decisions has an effect on sustainability of family businesses in south-east, Nigeria.

Question 3: To what degree does job rotation influence sustainability of selected family businesses in South-East, Nigeria?

Table 4.1.4: Responses on job rotation and Sustainability of Family Businesses.

	SCALE				
	SA,	A,	U,	D,	SD	TOTAL

Rotating jobs among successors makes them to have vast knowledge about a variety of jobs	107 (57)	41 (22)	7 (4)	19 (10)	13 (7)	187 (100)
It also facilitates their personal growth, makes them more competent in several jobs, and leads to development of wide range of skills among them.	104 (55)	47 (25)	6 (3)	16 (9)	14 (7)	187 (100)
job rotation also enhances employees' learning and skill acquisition and allows them better to understand the capabilities and challenges of other departments	103 (55)	59 (31)	7 (4)	8 (4)	10 (5)	187 (100)
It creates an effective, distinguished and low-risk organization.	97 (52)	72 (38)	10 (5)	4 (2)	4 (2)	187 (100)
It reduces work turnover risks, reduce burnout and achieve job satisfaction	106 (56)	49 (26)	19 (10)	6 (3)	7 (4)	187 (100)
Total	103 (55)	54 (29)	10 (5)	11 (6)	9 (4)	187 (100)

Note: The figures in Parenthesis are Percentages
SOURCE: FIELD SURVEY, 2024

In table 4.1.4 five test questions were posed to determine the degree to which job rotation affects sustainability of selected family businesses in South-East, Nigeria.

The first test question was to determine if rotating jobs among successors makes them to have vast knowledge about a variety of jobs. From the responses 53% strongly agreed, 33% agreed, 4% remained undecided, 5% disagreed and 5% strongly disagreed.

The second test was posed to ascertain if it also facilitates their personal growth, makes them more competent in several jobs, and leads to development of wide range of skills among them. From the responses 56% strongly agreed, 31% agreed, 7% remained undecided, 3% disagreed and 3% disagreed.

The third test question sought out to determine if job rotation also enhances employees' learning and skill acquisition and allows them better to understand the capabilities and challenges of other departments. From the responses 55% strongly agreed, 26% agreed, 9% remained undecided, 6% disagreed and 4% strongly disagreed.

The fourth test question was to ascertain if it creates an effective, distinguished and low-risk organization. From the responses 58% strongly agreed, 33% agreed, 3% remained undecided, 2% disagreed and 4% strongly disagreed.

The fifth test question sought out to determine if it reduces work turnover risks, reduce burnout and achieve job satisfaction. From the responses 57% strongly agreed, 31% agreed, 5% remained undecided, 2% disagreed and 5% strongly disagreed.

The table shows that 55% of the respondents on the average strongly agreed with the Statement of the items, 29% agreed, 5% were undecided, 6% disagreed and 4% strongly disagreed. Highlight of the Statement of the items shows job rotation has an effect on sustainability of family businesses in south-east, Nigeria.

Testing of hypotheses

Hypothesis One

Ho: Mentoring has no significant effect on sustainability of family businesses in South-East, Nigeria.

Ho_1: Mentoring has a significant effect on sustainability of family businesses in South-East, Nigeria.

Table 4.1.2 Calculation of correlation coefficient for hypothesis one

S/N	OPTIONS	X POINTS	Y RESPONSES	XY	X^2	Y^2
1	Strongly Agree	5	97	485	25	9409
2	Agree	4	61	244	16	3721
3	Undecided	3	10	30	9	100

4	Disagree	2	10	20	4	100
5	Strongly Disagree	1	9	9	1	81
	Total	15	187	788	55	13411

SOURCE: FIELD SURVEY, 2024

Using the Pearson product moment correlation coefficient formula given as:

$$r= \frac{n\sum xy-\sum x.\sum y}{\sqrt{[n\sum x^2-(\sum x)^2[n\sum y^2-(\sum y)^2]}}$$

$$r= \frac{5(788)-(15).(187)}{\sqrt{[5(55)-(225)[5(13411)-(34969)]}}$$

<u>1135</u>

1266

r= 0.89

The correlation coefficient r= 0.89 as shown above is an indication thatmentoring has a significant positive effect on sustainability of family businesses in South-East, Nigeria. Nevertheless, there was a need to equally estimate for the significance of the coefficient and to ascertain whether the claim of the null hypothesis would still remain valid after the test. T-test for test of significance was adopted as follows:

$$T_{cal}= \sqrt{\frac{n-2}{1-(r)^2}}$$

Substituting the value of the correlation coefficient r= 0.89 in the above formula. We obtained the result:

$$T_{cal}= 0.89\sqrt{\frac{5-2}{1-(0.89)^2}}$$

T_{cal}= 3.377

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But $t_{0.05}$, 3= 2.35

Therefore the null hypothesis was rejected since T_{cal}= 3.377> T_{tab}=2.35, and the alternative which suggest that mentoring has a significant positive effect on sustainability of family businesses in South-East, Nigeria.

Hypothesis Two

Ho: financing decisions has no significant effect on sustainability of family businesses in South-East, Nigeria.

Ho_1: financing decisions has no significant effect on sustainability of family businesses in South-East, Nigeria.

Table 4.1.3 Calculation of correlation coefficient for hypothesis one

S/N	OPTIONS	X POINTS	Y RESPONSES	XY	X^2	Y^2
1	Strongly Agree	5	104	520	25	10816
2	Agree	4	58	232	16	3364
3	Undecided	3	10	30	9	100
4	Disagree	2	7	14	4	49
5	Strongly Disagree	1	8	8	1	64
	Total	15	187	804	55	14393

SOURCE: FIELD SURVEY, 2024

Using the Pearson product moment correlation coefficient formula given as:

$$r= \frac{n\sum xy-\sum x.\sum y}{\sqrt{[n\sum x^2-(\sum x)^2[n\sum y^2-(\sum y)^2]}}$$

$$r = \frac{5(804)-(15).(187)}{\sqrt{[5(55)-(225)[5(14393)-(34969)]}}$$

1215

1360

r= 0.89

The correlation coefficient r= 0.89 as shown above is an indication thatmentoring has a significant positive effect on sustainability of family businesses in South-East, Nigeria. Nevertheless, there was a need to equally estimate for the significance of the coefficient and to ascertain whether the claim of the null hypothesis would still remain valid after the test. T-test for test of significance was adopted as follows:

$$T_{cal} = \sqrt{\frac{n-2}{1-(r)^2}}$$

Substituting the value of the correlation coefficient r= 0.89 in the above formula. We obtained the result:

$$T_{cal} = 0.89\sqrt{\frac{5-2}{1-(0.89)^2}}$$

T_{cal}= 3.377

But $t_{0.05}$, 3= 2.35

Therefore the null hypothesis was rejected since T_{cal}= 3.377> T_{tab}=2.35, and the alternative which suggest that finance decisions has a significant positive effect on sustainability of family businesses in South-East, Nigeria.

Hypothesis Three

Ho: Job rotation has no significant positive effect on sustainability of family businesses in South-East, Nigeria.

Ho_1: Job rotation has a significant positive effect on sustainability of family businesses in South-East, Nigeria.

Table 4.1.4 Calculation of correlation coefficient for hypothesis one

S/N	OPTIONS	X POINTS	Y RESPONSES	XY	X^2	Y^2
1	Strongly Agree	5	103	515	25	10609
2	Agree	4	54	216	16	2916
3	Undecided	3	10	30	9	100
4	Disagree	2	11	22	4	121
5	Strongly Disagree	1	9	9	1	81
	Total	15	187	792	55	13827

SOURCE: FIELD SURVEY, 2024

Using the Pearson product moment correlation coefficient formula given as:

$$r= \frac{n\sum xy-\sum x.\sum y}{\sqrt{[n\sum x^2-(\sum x)^2[n\sum y^2-(\sum y)^2]}}$$

$$r= \frac{5(792)-(15).(187)}{\sqrt{[5(55)-(225)[5(13827)-(34969)]}}$$

<u>1155</u>

1307

r= 0.88

The correlation coefficient r= 0.88 as shown above is an indication thatjob rotation has a significant positive effect on sustainability of family businesses in South-East, Nigeria. Nevertheless, there was a need to equally estimate for the significance of the coefficient and to ascertain whether the claim of the null hypothesis would still remain valid after the test. T-test for test of significance was adopted as follows:

$$T_{cal}= \sqrt{\frac{n-2}{1-(r)^2}}$$

Substituting the value of the correlation coefficient r= 0.89 in the above formula. We obtained the result:

$$T_{cal}= 0.88\sqrt{\frac{5-2}{1-(0.88)^2}}$$

T_{cal}= 3.209

But $t_{0.05}$, 3= 2.35

Therefore the null hypothesis was rejected since T_{cal}= 3.209> T_{tab}=2.35, and the alternative which suggest that job rotation has a significant positive effect on sustainability of family businesses in South-East, Nigeria.

Discussion of Findings

The result of hypothesis one revealed that mentoring positively influences sustainability of family businesses in South-East, Nigeria under study. This finding is consistent with that of Ofobruku and Nwakoby (2015) that mentorships had significant relationship with employee performance. It also agrees with the findings of Awogbemi, et al (2022) indicate that mentoring, training, job rotation, coaching, talent management and internship as succession planning strategies are positively correlated to sustainability of family businesses with statistical significance.

The test of hypothesis two shows that finance decisions positively affects sustainability of family businesses in South-East, Nigeria under study. This aligns with the views of Imran, et al (2019) that that family control significantly impacts the corporate financing decisions of the firms. In addition, firm size, tangibility, profitability, non-debt tax shield, dividends and liquidity are found to be the important determinants of corporate financing decision of the firms.

Moreover, from the test of hypothesis three, it was observed that job rotation has positive effect on sustainability of family businesses in South-East, Nigeria under study. This finding is supported by the views of Ismail, et al, (2021), that job rotation had a positive and significant effect on job satisfaction

Summary of Findings

The major findings of the research are as summarized below:

1. Mentoring positively influences sustainability of family businesses in South-East, Nigeria with t_{cal} (3.377) and t_{tab} (2.35).
2. Finance decisions positively influences sustainability of family businesses in South-East, Nigeria with t_{cal} (3.377) and t_{tab} (2.35).
3. Job rotation positively influences sustainability of family businesses in South-East, Nigeria with t_{cal} (3.377) and t_{tab} (2.35).

CONCLUSION

The study on how the sustainability of family businesses of is influenced by mentoring, finance decisions and job rotation offers an insight into how family business can plan for their succession and ensure their survival rate. From the findings of the analysis, this study concludes that succession planning has a significant positive effect on sustainability of family businesses in South-East, Nigeria

Recommendations

In view of the findings, the following recommendations are made;

1. Management of family businesses should develop mentorship program that will enable young successors to acquire necessary skills, knowledge, and capabilities needed to address leadership challenges, and cultivate the right ethical culture for family business sustainability.

2. Management should develop a well-crafted financial plan that will outline the company's financial goals, budget, cash flows projections, and strategies for managing debt and investments as this will serve as a roadmap for guiding business decisions and allocating resources efficiently.

3. Management must develop a pipeline of talent by ensuring a solid job rotation program and allowing successors to learn across the organization to handle positions most critical to the future needs of the family businesses.

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