African Journal of Innovation and Entrepreneurship (AJIE)
E-ISSN 2753-314X (Online); ISSN 2753-3131 (Print)
Indexed by IBSS, EBSCO and SABINET
Volume 5, Number 2, June 2026
Pp 35-58

The Role of Succession Planning in Enhancing the Long-Term Sustainability of Family-Owned Businesses: A Case Study of Nigerian Family Businesses

DOI: https://doi.org/10.31920/2753-314X/2026/v5n2a2

Dr. Victoria Adekomaya.O
Postdoctoral Research Fellow
DHET-NRF SARChI in Entrepreneurship Education
College of Business & Economics, University of Johannesburg

Abstract

Family-owned businesses are significant contributors to economic growth, employment, and wealth creation across the globe. In Nigeria, they form a critical part of the private sector, cutting across multiple industries and supporting millions of livelihoods. However, the long-term sustainability of these businesses is often jeopardised by the absence of formal succession planning. This study aimed to assess the role of succession planning in enhancing the long-term sustainability of family-owned businesses in Nigeria. The study employed a qualitative research design using a case study approach and targeted 30 family business owners. Data were collected from family business owners, managers, and supervisors through semi-structured interviews, both in-person and via virtual platforms. Snowball sampling was utilised to identify participants, and the data were analysed thematically using NVivo software. The findings revealed nine dominant themes. Participants widely acknowledged that succession planning supports business continuity and growth, professionalisation of management, leadership grooming, and family unity. Additional outcomes include enhanced employee morale, strategic flexibility, preservation of core values, and preparedness against risks. Notably, some participants highlighted succession planning as a strategic mechanism for fostering organisational diversity and inclusive leadership. These results emphasise the strategic importance of succession planning as a catalyst for stability and generational sustainability in

Nigerian family firms. In conclusion, the study underscores the necessity for Nigerian family businesses to institutionalise succession planning, not only as a reactive measure but also as a long-term strategic process. It is recommended that family business owners develop clear, documented succession plans supported by training, mentoring, and governance mechanisms. Furthermore, policymakers and business associations should advocate for awareness campaigns and technical support programs that promote succession planning as essential to national economic resilience.

Keywords: *Succession Planning, Family-Owned Businesses, Business Sustainability, Leadership Transition, Nigeria*

Introduction

Family businesses form the economic backbone of developed and emerging nations alike, providing heavy employment opportunities, wealth generation, and social development. On each continent, they are not only celebrated for their economic impact but also for entrepreneurial value transmission, values between generations, and long-standing community relations. Nevertheless, despite their many advantages, an ever-present issue still hangs over their survival: succession planning. Globally, the ability of family firms to survive past the generation of founding is very low, at a mere 30% surviving to the second generation, 12% to the third, and a paltry 3% to the fourth (Flynn & Duesing, 2020). At the centre of this dilemma is one of succession planning's seminal managerial pitfalls, or lack thereof. Succession planning in family businesses is beyond leadership change; it is a sophisticated and deliberate process ensuring the transmission of vision, culture, and capacity from one generation to another. It entails gearing would-be leaders to manage and also innovate, stabilise, and grow the business in the face of changing economic times. Across the world, companies such as Walmart (USA), Tata Group (India), and BMW (Germany) have shown that proper succession planning can make generational transitions easy while retaining strategic direction and institutional memory (Miller and Le Breton-Miller, 2006). These companies represent the influence of visionary governance mechanisms in the development of enduring family businesses.

Empirical research over the past decade has increasingly substantiated the pivotal role of succession planning in securing the long-term sustainability of family-owned enterprises. These studies highlight that structured transition strategies are essential for maintaining organisational resilience across generations. With the ever-increasingly volatile world economy due to technological advancements, globalisation, and market oversaturation, pressure on family businesses to adapt through ethical leadership practices has become more stringent. As per a Mokhber *et al.* (2017) survey, family businesses that invest in succession planning early are faced with higher performance, improved family unity, and greater resilience. This means that well-managed succession is not just a defensive strategy but also a source of strategic advantage.

Yet despite this global awareness, succession planning is underdeveloped or nonexistent in most regions of the globe, and certainly in Africa, where family firms dominate the private sector but have particular structural and socio-cultural constraints. Nigeria, being the biggest economy in Africa, is a compelling case. Nigerian family businesses cut across sectors from agriculture and real estate to manufacturing and commerce and underpin livelihoods for millions. However, data from anecdotal coverage and empirical evidence consistently show that the majority of these businesses collapse at the death or exit of their founder due to the absence of formal succession plans (Musa & Semasinghe, 2014; Ogundele *et al.*, 2012).

In Nigeria, family business succession planning is typically shrouded in cultural, emotional, and informal dynamics (Olayemi & Gbadamosi, 2023; Olubiyi *et al.*, 2022). Founders struggle to relinquish control, successors are not adequately trained, and family conflict occurs as a result of insufficient transparency or perceived favouritism. Also shaping succession in leadership are customary norms such as patriarchal systems of inheritance that typically deny potential women or younger members the role in favour of male inheritors. As Abiri-Franklin and Olugasa (2022) explain, low female participation in succession discussions erodes inclusivity and the long-term thinking required for sustainable leadership. The combination of cultural differences, weak institutional support, and a lack of strategic planning resources makes it difficult to formalise succession planning in Nigerian family firms. These factors often frustrate efforts to create a clear, documented path for future leadership. Furthermore, the absence of institutional governing instruments like family charters, advisory boards, and leadership development pipelines continues remains to undermine the longevity of these firms. Less than 20% of Nigerian family businesses have a well-drafted, written succession plan, as PwC Nigeria (2022) discovered, despite more than 80% of current owners desiring to transfer the firm to family members. This intentionaction gap mirrors larger issues from loss of control, fear through successor unreadiness, and poor knowledge transfer mechanisms.

This study is thus at the intersection of a global problem and a national imperative: how Nigerian family firms are able to navigate the complexities of leadership succession towards long-term sustainability. The broad aim of this study is to assess the role of succession planning towards the long-term sustainability of family firms in Nigeria. This is particularly critical in an environment characterised by high business mortality rates, where family enterprises frequently collapse after a single generation. Such failures are primarily attributable to leadership inadequacies, a lack of strategic planning, and the emergence of irreconcilable internal conflicts. The value of this study is in its capacity to deliver context-specific insights that link international best practices with local realities. Although literature exists that gives frameworks for succession planning, most of them are based on Western assumptions regarding governance, inheritance, and leadership. Nigerian family businesses are in a unique socio-cultural and institutional environment that needs to be understood in its localised context and adaptive approach. Through a critical analysis with Nigerian case studies, this research aims to determine not only the impediments to effective succession planning but also the channels through which succession planning can enhance business continuity, innovation, and resilience.

Moreover, this research aligns with global calls for sustainable and inclusive business practices. The United Nations Sustainable Development Goals (SDGs) SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation, and Infrastructure) are concerned with the role played by companies large and small in creating secure employment and fostering long-term economic development. Family companies, assuming they are handed down from generation to generation, can be drivers of this type. But with no succession planning, their potential is wasted, and their contribution to national and regional development is lost. Family firms come of age and require more than emotional continuity; they require governance structures, succession models, and leadership systems attuned to internal and external dynamics. Therefore, this study will look at how Nigerian family businesses currently handle succession planning, assess how it affects their long-term survival, and identify both the factors that lead to success and the areas that need improvement. The findings will inform business owners, policymakers, scholarly researchers, and consultants on improving support for family businesses in Nigeria and beyond.

Literature Review

Conceptualizing Family-Owned Businesses

Family-owned businesses (FOBs) provide a significant proportion of the global economy's activity, hiring employees and contributing to national gross domestic product (GDP) in most countries. FOBs are typically defined by family ownership and management, often involving over one generation. They are characterised by overlapping subsystems of family, ownership, and management, generating both unique strengths such as long-term orientation and value-driven governance as well as certain challenges, primarily succession (Ramadani *et al.*, 2020). The complex character of family participation generates stability and conflict potential. The intimate intertwining of family and business roles can promote commitment and loyalty but also tensions, especially when leadership succession is not formally structured (West, 2019). The tension between continuity and conflict makes FOBs an important unit of analysis, particularly in Nigerian settings where cultural norms strongly infuse business behavior.

Theoretical Foundations to Succession Planning

Succession planning in FOBs is significantly influenced by a variety of theoretical lenses. Succession planning ensures leadership continuity and organisational sustainability, especially in family businesses and SMEs. Agency Theory, for instance, explains potential conflicts between owners (principals) and managers (agents) during leadership transitions, emphasising alignment of interests (West, 2019). However, its relevance is limited in contexts where relational, cultural, and trust-based factors shape succession decisions (Chrisman *et al.*, 2005). Researchers should clarify its role or consider alternative theories, such as stewardship theory or the resource-based view, which better capture long-term value creation and relational dynamics. However, stewardship theory asserts that family members consider themselves stewards of the firm, generating intrinsic motivation to maintain its long-term performance. This is particularly so in very family-centered cultures, e.g., Nigeria. The Resource-Based View (RBV) offers a strategic direction by giving utmost importance to the worth of in-house capacities and resources like tacit knowledge, leadership experience, and relational capital, which need to be transferred deliberately in succession (Chukwuma *et al.*, 2022). Without such a transfer, FOBs could forfeit essential competencies that sustain their competitive advantage. Globally, FOBs have varied succession approaches based on economic, institutional, and cultural realities. In developed economies like the United States of America, Germany, and Japan, succession tends to be pursued in a methodical manner. Succession planning begins early, with successors being developed through formalised leadership development programs, family governance councils, and, at times, inclusion of non-family professionals to facilitate objectivity and professionalism in decision-making (The Times, 2023). These structured models are used to counteract emotional prejudices and provide long-term sustainability. FOBs in the majority of low- and middle-income nations such as Nigeria, however, rely on informal and typically postponed succession approaches. Without formal plans, leadership gaps are almost inevitable. In most cases, this leads to the business failing or closing down entirely once the founder is no longer involved (West, 2019).

Succession Planning and Business Sustainability

Succession planning is most critical to FOB longevity. It ensures continuity of business, safeguards institutional memory, and reinforces stakeholder confidence. Successful succession planning brings employee morale and investor trust and safeguards organisational culture (SpenglerFox, 2024). Empirical findings suggest that family firms with a proactive plan for succession are stronger during handover periods and are much better prepared to deal with changes in the market (Marler *et al.*, 2017). Moreover, succession is not only a question of leadership replacement; it is about mentoring, organising family business management, and preparing the business for intergenerational challenges. For example, firms embracing succession planning as an overall, long-term process rather than an eventare more likely to effectively cope with generational shifts (Bert Weenink, 2024). Succession planning has been widely recognised as a determinant of long-term sustainability in family-owned businesses. In the Nigerian context, several studies confirm that structured planning supports continuity, stability, and resilience. For instance, Olalekan and Bienose (2021) demonstrated that management succession planning directly contributes to family business continuity in Lagos State, where failure to plan often results in collapse after the founder's exit. Similarly, the Nigerian Tribune (2024) reported cases where poor preparation for leadership transition led to crises in otherwise thriving family businesses. Further evidence by Dike et al. (2025) highlights that structured mentorship and professional involvement in family firms significantly improved resilience in South-East Nigeria. In line with this, Ifeoma et al. (2024) argued that succession planning strategies emphasising training and communication are central to the sustainability of family-owned businesses. However, Nwuke et al. (2020) cautioned that many Nigerian family firms still adopt reactive rather than strategic succession approaches, leading to organisational instability.

Case studies provide empirical evidence of the mechanisms through which succession planning enhances long-term sustainability, offering granular insights into the strategic alignment required for generational continuity. For example, the Ibru Organisation (2023) demonstrates how gradual leadership integration across generations supported continuity, while the Sanusi Dantata (2023) legacy reflects how cultural values and inheritance systems shaped the long-term survival of family businesses. Likewise, the Igbo apprenticeship system ("Igba-Boi") has been described by Familoni (2024**)** as an informal but effective succession mechanism that transfers skills and business values across generations. International perspectives reinforce these findings. Long and Chrisman (2014) contend that adopting professionalised, merit-based succession processes strengthens family business performance globally. In Nigeria, Olubiyi (2022) stressed that combining modern governance models with traditional family values is essential for continuity. Similarly, Balogun (2024) noted that knowledge transfer through succession planning is indispensable for organisational longevity.

Onyeukwu and Jekelle (2019) also reported that firms investing in leadership training and succession structures have higher chances of survival beyond the second generation. Scholars have also emphasised succession planning's role in minimising conflict and enhancing inclusivity. Hasan (2024) observed that formal succession frameworks reduce family disputes and promote harmony, while Maphisa et al. (2017) linked succession planning to staff retention by providing clarity and reducing uncertainty. Moreover, Schepker et al. (2005) viewed succession as a continuous process rather than an event, stressing its strategic rather than reactive nature. Eke (2023) further argued that inclusive succession practices could expand leadership capacity by integrating women into business leadership. Finally, the collapse of notable Nigerian family firms underscores the risks of neglecting succession. For instance, the Odutola business empire failed largely due to inadequate succession planning, a case emphasised by Adedayo et al. (2016) and reinforced by Olusegun (2022). These failures serve as cautionary tales, underscoring that sustainability requires proactive leadership development, governance mechanisms, and deliberate succession strategies.

Recent scholarship highlights three dominant theoretical paradigms that inform the study of succession planning in family-owned businesses: stewardship theory, resource-based view (RBV), and systems theory. Stewardship theory posits that family members in leadership positions act as stewards of the business, motivated by intrinsic trust, loyalty, and emotional investment rather than self-interest. Contemporary research affirms that stewardship values encourage long-term strategic planning, intergenerational knowledge transfer, and sustainability-oriented governance (Madison et al., 2021; Neubaum et al., 2022). In the Nigerian context, stewardship is primarily manifested as a desire to preserve the family legacy; however, significant tensions often emerge when succession is deferred due to a founder's reluctance to relinquish executive authority (Olubiyi, 2022). This perspective highlights succession planning not merely as an administrative activity but as an ethical responsibility that shapes continuity and resilience.

The Resource-Based View (RBV) further enriches understanding by framing family firms' competitive advantage as rooted in intangible, hard-to-imitate resources such as tacit knowledge, relational trust, and shared values (Habbershon & Williams, 1999; Chua et al., 2018). Recent studies emphasise that succession planning is a critical process for transferring these non-financial resources across generations (Craig & Salvato, 2020). In Nigeria, where family cohesion and relational capital are often embedded in cultural and kinship networks, the absence of structured succession threatens the erosion of these vital resources (Dike et al., 2025). Thus, RBV underscores that sustainability is not guaranteed by financial wealth alone but by the careful preservation and transfer of socio-emotional wealth. Systems theory complements these perspectives by situating family firms within interconnected subsystems of ownership, management, and family relations (Tagiuri & Davis, 1996; Gersick & Lansberg, 2020). Effective succession requires aligning these subsystems and balancing family expectations with business imperatives. Current literature shows that unresolved conflicts across these domains, such as favoritism, gender bias, or unclear governance, undermine succession outcomes (Eke, 2023; Hasan, 2024). In Nigeria, succession decisions are often influenced by traditional norms (age, gender, seniority) rather than meritocratic logic, creating systemic misalignments that hinder long-term sustainability (Nwuke et al., 2020). When applied to Nigerian family businesses, this tripartite conceptual lens acknowledges the cultural, institutional, and socioeconomic complexities shaping leadership transitions. Founders' fears of losing control, successors' lack of preparedness, and entrenched inheritance practices frequently delay or distort succession processes. These challenges demonstrate that succession is not only a managerial issue but also a socio-cultural negotiation that requires structured planning, inclusive governance, and strategic foresight. Integrating stewardship, RBV, and systems perspectives provides a robust framework for understanding how succession planning can enhance the sustainability of family-owned businesses in emerging economies.

Challenges to Succession Planning in Family Businesses

Despite its importance, most FOBs are unable to institute effective succession planning. Emotional attachment to the business is most likely the cause of founders' resistance to letting go of control, leading to delays and uncertainty in decision-making (Family Business Health and Wellness, 2023). Aside from this, sibling rivalry, nepotism, and lack of trust can compromise the choice of a proper successor. Formal governance mechanisms such as family constitutions or succession committees are also missing in most FOBs. This lack of planning into the future results in ad hoc choices and intragroup tension (Bert Weenink, 2024). Furthermore, successors may be inadequately prepared for leadership responsibilities due to a lack of formal training, professional mentorship, and insufficient exposure to the firm's operational realities (SpenglerFox, 2024). Succession planning in African contexts is considered more complex because of socio-cultural expectations. For example, in the majority of Nigerian families, succession decisions are governed by age, gender, or origin rather than skill or experience (Orole, 2020; Stephen *et al.*, 2019). These may result in family and non-family employees' dissatisfaction and make business continuity harder.

Empirical Studies on Succession Planning in Nigeria

Empirical evidence from Nigeria reveals a pervasive gap in succession planning among FOBs. A study by West (2019) found that over 70% of family-owned businesses in Nigeria do not have formal succession plans, despite recognising its importance. This lack of planning often leads to disputes, reduced operational efficiency, and business closure after the exit or death of the founder. Additional research by Nwuke *et al.*, (2020) noted that succession is often approached reactively rather than strategically. Many Nigerian family-owned businesses (FOBs) delay succession planning until it is no longer viable; consequently, successors—who are frequently inadequately trained or lack genuine interest—struggle to uphold the established business legacy. The study highlighted the urgent need for capacity building and leadership development as part of a sustainable succession framework. Similarly, studies conducted by Olubiyi *et al.* (2022) and Olalekan and Bienose (2021) emphasised the role of education, family governance, and legal structures in supporting succession planning. Their findings suggested that Nigerian FOBs that implemented mentoring programmes, family councils, and formal operating agreements had a higher chance of successful leadership transitions and business sustainability. Moreover, the lack of professional guidance and fear of external interference often discourage Nigerian FOBs from seeking external consultants or legal advisors. This insularity further inhibits the adoption of best practices in succession planning, making the role of education and awareness campaigns critical.

Conceptual Framework

This study is anchored on the assumption that effective succession planning plays a crucial role in ensuring the long-term sustainability of family-owned businesses. The framework posits that succession planning—comprising leadership development, knowledge transfer, mentorship, and structured family governanceexerts a positive influence on business sustainability. By fostering continuity and stability, these components facilitate the seamless intergenerational transfer of both core values and professional competencies. Conversely, inadequate or poorly implemented succession processes may lead to leadership gaps, internal conflicts, and eventual business decline. Thus, the long-term sustainability of family-owned businesses (dependent variable) is expected to be influenced by the effectiveness of succession planning practices (independent variable), which determine the continuity, growth, and resilience of family enterprises over generations.

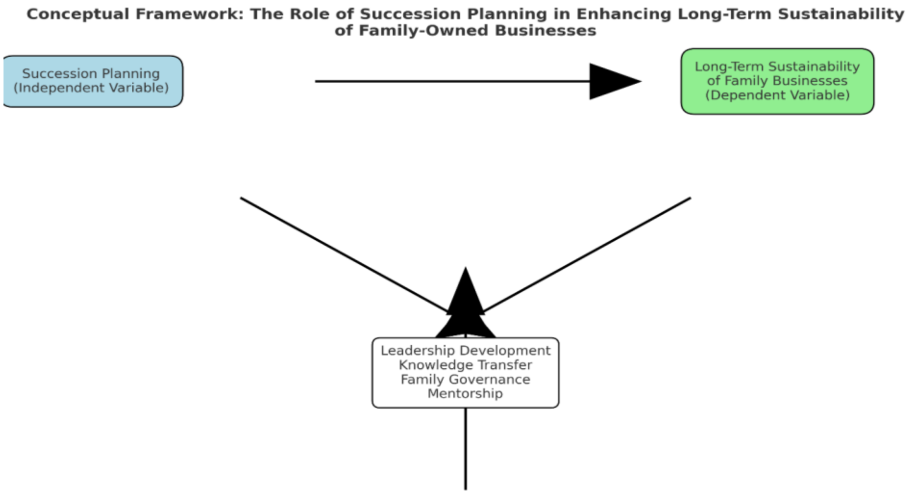

Figure 1: Conceptual Framework

Methodology and Structure

This study adopts a qualitative methodology using a case study approach across Northern, Southern, and Eastern Nigeria, with a cross-sectional time frame. Primary data were collected through semi-structured interviews, both in-person and via Zoom; however, the sample comprised founders, successors, managers, and next-generation members to ensure a holistic understanding of the role of succession planning in enhancing the long-term sustainability of family-owned businesses. Participants were chosen using purposive and snowball sampling to ensure they could provide rich insights, with inclusion criteria requiring significant family ownership (over 40% of voting shares), active family involvement in management or governance, and commitment to intergenerational business continuity. Semi-structured interviews were conducted, and data collection continued until saturation was reached, ensuring that no new themes emerged and sufficient depth was achieved to address the research questions. In qualitative research, sample size is guided by the principle of data saturation rather than statistical representation (Hennink & Kaiser, 2022).

Data collection continued until saturation was reached, yielding 30 participants per country. The employment of a diverse sample facilitated a holistic understanding of succession planning and conflict resolution, as it captured multifaceted perspectives from both leadership and operational roles. This methodological triangulation significantly enhances the robustness and reliability of the research findings. This methodological approach enabled a comprehensive exploration of participants' personal experiences and perspectives on conflict resolution and succession planning within family businesses. This qualitative study focused on family-owned oil distributors in Northern, Southern, and Eastern Nigeria to explore the role of succession planning in enhancing the long-term sustainability of family-owned businesses. This diversity was intentional to capture multiple perspectives across ownership and management roles. The respondents include founders/owners, successors/next-generation members, managers, and family stakeholders. This categorisation ensured that the voices of those most directly involved in family succession planning were represented. By including multiple roles, the study captured both leadership and operational perspectives, strengthening the reliability of the data.

Data Techniques and Analysis

To identify suitable participants, the study utilised snowball sampling. Data analysis was conducted using thematic analysis with the help of NVivo software. The process included the transcription of interviews (converting audio files into written text), followed by coding, where key themes and patterns in responses were identified. Similar themes were then grouped into categories, and the findings were interpreted based on the recurring themes observed across the data set.

Results Presentation

Theme 1: Business Continuity and Growth

A significant number of participants emphasised that succession planning plays a vital role in ensuring the long-term survival and continuity of the family business. The respondents observed that implementing a structured succession plan ensures organisational continuity, thereby preventing leadership voids that might otherwise occur upon the retirement or departure of the founder.

For instance, Participant 12 mentioned, *"It helps us to plan and ensure continuity in business and also eliminates lapses."* Similarly, Participant 30 stated, *"Planning is very good for all family business owners. It helps the business to grow. Like they say, when you fail to plan, you plan to fail."* These insights show that many participants view succession planning as a strategic tool for business longevity and proactive management.

Theme 2: Professionalisation of Management

Another key theme that emerged was the need to professionalise the family business. Participants stressed the importance of introducing skilled, qualified individuals either from within or outside the family to enhance performance and reduce the informal, emotion-driven style that often characterises family-run operations.

Participant 25 said, *"The major contribution of succession in a business is to introduce or involve an expert into the family business to run the business. It will surely help in sustaining the business."* Likewise, Participant 28 stated, *"The business would need to be professionalized by bringing in qualified managers, with family members becoming shareholders."*

Theme 3: Leadership Development and Talent Grooming

Many participants recognised that succession planning enables the business to identify and groom the next generation of leaders. This includes preparing successors with the right skills, values, and experience.

Participant 37 observed, *"In most cases, succession planning focuses on the most essential jobs in a business, and a candidate from inside is nurtured and developed over time."*

Participant 33 added, *"Business owners should determine which positions are most important to the company's future development and identify internal applicants who have the values, talents, and motivation to fill those important positions."*

Theme 4: Conflict Management and Family Harmony

A recurring theme throughout the study was that succession planning significantly fosters family unity; by establishing clear protocols, it serves as a pre-emptive measure for managing or entirely avoiding interpersonal conflicts. Communication and agreement on who leads the business helps reduce disputes.

Participant 12 emphasised, *"It's critical for family owners, their wives, and their children to learn to communicate and share their perspectives on key issues."*

Participant 27 advised, *"The management should establish a plan for resolving conflicts before their disruptive effects have an influence on output and innovation."*

Also, Participant 58 highlighted, *"The major contribution to succession planning as part of sustainability is that you don't let a quarrel linger; resolve it as quickly as feasible."*

Theme 5: Improved Employee Morale and Performance

A number of participants indicated that well-structured succession planning positively influences staff morale. Employees feel more motivated when there is clarity about advancement and when the leadership is stable.

According to Participant 14, *"A boost in overall employee performance is perhaps the most notable outcome of a solid succession strategy."* And Participant 43 noted, *"Family business managers should foster an open-door policy so that employees feel comfortable sharing their issues with upper management."*

Theme 6: Strategic Planning and Flexibility

Several responses revealed that succession planning helps the family business become more proactive and flexible in dealing with future uncertainties. They also emphasised that a good succession plan must be dynamic and regularly reviewed.

Participant 18 clearly stated, *"The finest succession plans are dynamic, breathing entities that are regularly examined and updated."*

Participant 30 suggested, *"Present a clear action plan to family members and colleagues for the future months and years once your succession plan is finalized and your successor has been chosen."*

Theme 7: Organisational Culture and Shared Values

Participants also acknowledged that succession planning ensures the continuation of the business's core values, traditions, and legacy across generations.

Participant 19 mentioned, *"Family businesses that are successful generate a sense of shared values that are passed down from generation to generation."*

Theme 8: Diversity and Inclusion in Leadership

Some participants raised the importance of succession planning as a tool to introduce diversity in leadership, breaking away from traditional or narrow patterns.

Participant 22 observed, *"Many family businesses unwittingly suffer from a lack of management diversity... succession planning should consider leadership demographics and aim to promote and develop candidates who aren't part of the usual group."*

Theme 9: Preparedness and Risk Reduction

Finally, a few participants pointed out that succession planning helps to prepare the business for unexpected changes and mitigates the risks associated with sudden leadership changes.

Participant 29 stressed the importance of boundaries, saying, *"Maintain a clear separation between your personal life and your professional life. Leave personal issues out of the boardroom and focus on your business."*

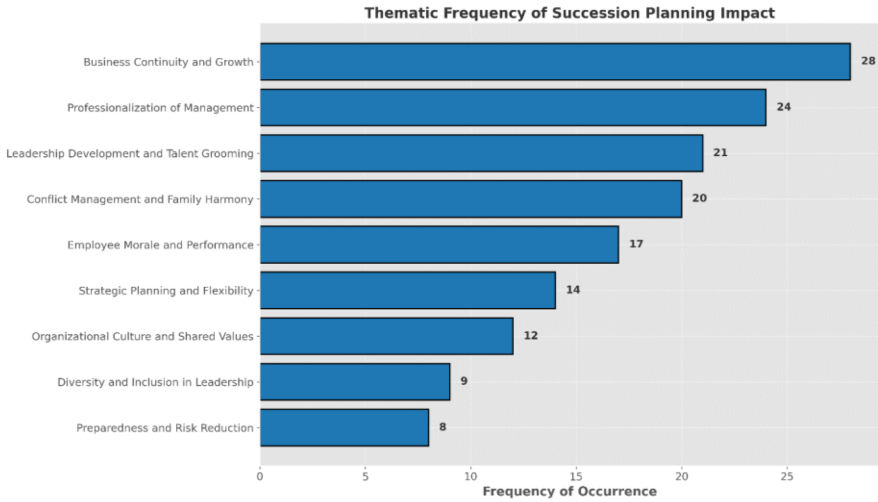

Figure 2: Role of Succession Planning in Family-Owned Businesses

Discussion of the Findings

The findings from this study reveal that succession planning is an essential pillar for ensuring the sustainability of family-owned businesses in Nigeria. Participants highlighted several themes, including business continuity, leadership grooming, professionalisation, conflict management, and the preservation of organisational culture. These can be attributed to both cultural expectations and the historical experiences of business continuity challenges within Nigerian family enterprises. Firstly, the need for succession planning as far as business continuity and stability of leadership is concerned can be attributed to the fact that family businesses experience a high death rate after the demise of the original generation. A significant majority of respondents underscored that succession planning is essential for mitigating leadership voids arising from unforeseen circumstances such as death, sickness, or retirement. This is in agreement with studies by Olalekan and Bienose (2021), who observed that failure of family businesses in Nigeria is most often linked to the lack of structured succession planning. Nigerian Tribune (2024) further observed several instances of thriving Nigerian family businesses collapsing or experiencing a leadership crisis due to the fact that their successors were neither trained nor legitimate. Second, professionalisation, talent development, and merit-based succession suggest a shift in the business culture of Nigerian family businesses. Succession was traditionally on the basis of kinship, resulting in untrained family members being appointed previously. However, the majority of the participants in this study mentioned that they would opt to hire qualified individuals—family or outside professionals—to improve business performance. This aligns with the results by Dike *et al.* (2025), in which they found that it significantly increased business resilience in Southeast Nigeria when professional mentorship and management were brought into family businesses. The high degree of family dynamics and cultural expectations in making business choices might also be a contributing factor to the results. The interview data highlights conflict resolution, family stability, and intergenerational communication as recurring themes; this suggests that succession planning serves not only as a mechanism for leadership transition but also as a vital framework for maintaining social harmony among family members. Ifeoma *et al.* (2024) noted parallel trends, revealing that effective communication and mentorship alleviated tensions between founders and potential successors in family firms.

The contribution of succession planning to business continuity is widely acknowledged. Family firms in Nigeria are numerous and are constructed around the name and work of a founder, and without explicit succession planning, retirement or death of such a founder will be prone to spark organisational instability (Nwuke *et al.*, (2020). One excellent example is that of the Ibru Organisation, founded by Michael Ibru in 1956. The organisation continued to be successful in its existence in the majority of industries (agriculture, shipping, and real estate) due partly to its gradual integration of family members into leadership and its emphasis on leadership succession, albeit not without problems (Ibru Organisation, 2023). This points out the manner in which planned succession facilitates continuity and enables the business to endure generational change. Similarly, Sanusi Dantata's family business is a case of succession planning within culture. Based on Islamic traditions of inheritance and family cooperation, the Dantata family integrated family members into the business at an early age, preparing them to be loyal and to share a sense of ownership (Sanusi Dantata, 2023). This cultural integration has the effect of protecting values and making future generations aware of the business culture and operations.

Generally, the Igbo apprenticeship system—"Igba-Boi" in everyday usage—also provides a useful framework for informal succession mechanisms. It is made up of young apprentices serving under experienced business owners and being established in owning their own businesses after a period (Familoni, 2024). While not formal succession preparation in the absolute sense, it is a valuable addition to business sustainability and continuity within Igbo communities by transferring skills, establishing values, and intergenerational business transmission (Familoni, 2024).

The majority of the participants also linked succession planning to professionalisation and recruitment of non-family professionals. This aligns with international best practice, which dictates that succession should not be strictly confined to familial lineage; instead, the focus must be on identifying and appointing the most competent individuals to lead the organisation (Long and Chrisman, 2014). As Participant 38 pointed out, moving family members to shareholder roles while appointing qualified professionals into management enhances performance. These echoes call for Olubiyi (2022), who noted the strategic imperative for balancing heritage family and modern governance strategies in Nigerian SMEs. Leadership succession was another overarching theme. Building successors ensures there is no disruption in leadership and institutional knowledge is sustained (Balogun, 2024). Particularly in Nigeria, founders are hesitant to let go and therefore delay succession planning. The importance of such preparation is highlighted in a study conducted by Onyeukwu and Jekelle (2019), which established that Nigerian family businesses investing in leadership training have the best chance of survival beyond the second generation.

Moreover, succession planning was associated with conflict resolution and family harmony. Family businesses are particularly susceptible to internal conflict in the absence of a clear demarcation between ownership and management; such ambiguity often leads to systemic instability and fragmented decision-making. Participants' emphasis on communication early on and measures to resolve conflict are in consensus with research conducted by Hasan, (2024), that succession planning makes expectations clear and reduces tensions leading to family harmony.

Employee morale and performance were also mentioned, with several participants offering the opinion that an open line of succession increases organisational stability and employee motivation. This concurs with the observation of Maphisa *et al.*, (2017), who described that businesses which have succession plans enjoy enhanced employee retention rates since uncertainty is minimised. The outcomes also demonstrate the manner in which an open succession plan allows the company to grow more proactive and responsive. As Participant 48 was quoted, succession plans must be dynamic and revised at regular intervals. This is in consonance with recommendations by Schepker *et al.* (2005), who are of the opinion that successful family enterprises deal with succession as a continuous process of strategy, not an event. Organisational culture and core values were considered to be sustained through sound succession planning. The examples of the Dantata and Ibru families show that staying true to tradition and core values ensures lasting success and helps define a strong brand. Diversity and inclusion surprisingly showed up in the observations of the participants.

Participant 32 saw the necessity to deviate from conventional succession practices, which tend to eliminate women and younger relatives. Eke (2023) confirms that religious and cultural factors often prevent Nigerian businesses from utilising female leadership, which limits their talent and hinders innovation. Additionally, participants noted that effective succession planning helps a business stay prepared and avoid unnecessary risks. Those firms without an established succession plan are vulnerable to abrupt changes, such as in a few Nigerian family businesses that collapsed following the death of their founders. For example, the collapse of the Odutola business empire following the death of its founder was largely due to inadequate succession planning (Adedayo *et al.*, 2016; Olusegun, 2022).

Conclusion and Recommendation

This study sought to examine the role of succession planning towards enhancing the long-term sustainability of Nigerian family businesses. The outcomes of this study more than substantiate that succession planning is a key mechanism for ensuring continuity, stability, and future growth in family firms. It was discovered that the integration of purposeful succession planning, leadership development, forward-looking strategic thinking, and robust internal communication significantly enhances an organisation's capacity for generational endurance. Members concurred succession planning addresses leadership vacancies, enables knowledge transfer, guarantees development of capable successors, and maintains the long-term vision of the firm. Apart from substituting leadership, succession planning actively facilitates retention of employee morale, improves team professional management systems, and upholds organisational values with culture. It also promotes responsiveness to strategy, allowing family businesses to anticipate challenges ahead. Notably, the research establishes that effective succession planning guarantees family harmony and reduces potential conflict through openness and shared perception of leadership roles. Additionally, a few contributors pointed out that it can be used as a lever for inclusive leadership by promoting merit-based choice and diversity in the business hierarchy.

According to such roles, Nigerian family businesses should adopt succession planning as a continuous and strategic agenda, part of their business model. Succession procedures should be clearly put in writing by owners of business and supplemented with mentoring, structured leadership development, along with family governance systems. Notably, succession vision is also to be communicated to all the stakeholders, for example, employees and members of the family, so that a culture of continuity and collective responsibility is facilitated. Moreover, support institutions for entrepreneurship and SMEs should focus on awareness creation and provision of resources enabling the family firm to take up and sustain best succession practices. Lastly, succession planning is not just a tool of avoiding dislocation—it is a vital mechanism for the preservation of the longevity, legacy, and durability of Nigerian family businesses. When carefully planned and implemented, it plays an invaluable role in ensuring that the founding generation's values, capabilities, and achievements are not only sustained but even strengthened by future generations of leaders.

Acknowledgement

Competing interests

The author declares that they have no financial or personal relationship that may have inappropriately influenced them in writing this article.

Funding information

The author received no financial support for the research, authorship, and/or publication of this article.

Disclaimer

The views and opinions expressed in this article are those of the author and do not necessarily reflect the official policy or position of any affiliated agency of the author.

References

Abiri-Franklin, S., &Olugasa, O. (2022). Succession planning and women inclusion in family businesses. *Business Perspective Review*, *4*(1), 41-50. https://doi.org/10.38157/bpr.v4i1.424

Adedayo, O. S., Olanipekun, O. J., & Ojo, O. (2016). Planning for succession and firm's sustainability: Evidence from family owned businesses in Lagos and Ogun States, Nigeria. *Issues in Business Management and Economics*, *4*(6), 63-69.

Balogun, O. T. (2024). Importance of Succession Planning in Knowledge Transfer and Continuity: a case study of Hobark international limited, Nigeria. https://urn.fi/URN:NBN:fi:amk-2024120934060

Bert Weenink. (2024). *The Critical Role of Succession Planning in Family Businesses.*https://bertweenink.com/the-critical-role-of-succession-planning-in-family-businesses/

Chukwuma, I. O., Ohakim, E. C., Agbaeze, E. K., Alaefule, F. O., Iwobi, U. M., Ugwuja, G. C., & Ojonugwa, J. (2022). Succession Planning and Financial Performance: A Resource-Based View Analysis. *International Journal of Research and Innovation in Social Science*, *6*(1), 749-753.

Dike, G. N., Idemobi, E. I., Okafor, C. N., Obiezekwem, J. C., & Nwankwo, E. E. (2025). Succession Planning and Sustainability of Family Businesses and in South-East, Nigeria. *British Journal of Marketing Studies*, *13*(2), 62-90.

Eke, P. (2023). Women's occupational mobility in the nigerian service sector through a radical feminist perspective. http://hdl.handle.net/2436/625124

Familoni, O. O. (2024). The Role of the Igbo Apprenticeship System in Entrepreneurship Development in Nigeria. *African Journal of Management and Business Research*, *16*(1), 25-52.

Family Business Health and Wellness. (2023). *Challenges in Family Business Succession Planning: Common Hurdles & Solutions.*https://www.familybusinesshealthandwellness.com/challenges-in-family-business-succession-planning-common-hurdles-solutions/

Flynn, J., & Duesing, R. J. (2020). Toward developing an applied framework to help foster success in generational transition of family businesses. *Journal of Small Business & Entrepreneurship*, *32*(3), 287-308.

Hasan, A. (2024). Family Businesses and Succession Planning: An Analytical Approach. *Vifada Management and Digital Business*, *1*(2), 01-19.

Ibru Organization. (2023). *Michael Ibru's Business Legacy*. Retrieved from https://en.wikipedia.org/wiki/Ibru_Organization

Ifeoma, I. M., Egwuatu, O. K., &Ezekwe, U. C. (2024). Succession planning strategies and sustainability of family owned business in south East Nigeria. *International Journal of Multidisciplinary Research and Growth Evaluation*, *5*(2), 694-702.

Long, R. G., & Chrisman, J. J. (2014). Management succession in family business. *The SAGE handbook of family business*, 249-268.

Maphisa, S. B., Zwane, B. K., &Nyide, C. J. (2017). Succession planning and staff retention challenges: An industrial outlook and major risks. *Risk Governance and Control: Financial Markets and Institutions*.

Marler, L. E., Botero, I. C., & De Massis, A. (2017). Succession-related role transitions in family firms: The impact of proactive personality. *Journal of Managerial Issues*, 57-81.

Miller, D., & Le Breton-Miller, I. (2006). Family governance and firm performance: Agency, stewardship, and capabilities. *Family business review*, *19*(1), 73-87.

Mokhber, M., Gi Gi, T., Abdul Rasid, S. Z., Vakilbashi, A., Mohd Zamil, N., & Woon Seng, Y. (2017). Succession planning and family business performance in SMEs. *Journal of Management Development*, *36*(3), 330-347.

Musa, B. M., &Semasinghe, D. M. (2014). Leadership succession problem: An examination of small family businesses.Vol.6, No.34. pp 301-307.

Nwuke, O., Nwoye, C., &Onoyima, N. (2020). Family businesses, succession and survival strategies. In *Indigenous African Enterprise* (Vol. 26, pp. 59-71). Emerald Publishing Limited.

Ogundele, O. J. K., Idris, A. A., & Ahmed-Ogundipe, K. A. (2012). Entrepreneurial succession problems in Nigeria's family businesses: A threat to sustainability. *European scientific journal*, *8*(7), 208-227.

Olalekan, A. S. I. K. H. I. A., & BIENOSE, V. C. (2021). Management succession planning and family business continuity in Lagos State, Nigeria. *International Organization of Scientific Research*, *23*(3), 1-15.

Olalekan, A. S. I. K. H. I. A., & BIENOSE, V. C. (2021). Management succession planning and family business continuity in Lagos State, Nigeria. *International Organization of Scientific Research*, *23*(3), 1-15.

Olayemi, O. O., & Gbadamosi, T. O. (2023). Impact of Governance on Family Business Sustainability in Lagos State, Nigeria. *Nigerian Journal of Risk and Insurance*, *13*(2), 73-87.

Olubiyi, O. (2022). Succession Planning and Continuity in Nigerian SMEs: A Study of Lagos-Based Family Enterprises. *Journal of African Business Strategy*, 14(2), 87–101.

Olubiyi, O., Lawal, A. T., & Adeoye, O. O. (2022). Succession planning and family business continuity: Perspectives from Lagos State, Nigeria. *Organization and Human Capital Development*, *1*(1), 40-52.

Olubiyi, O., Lawal, A. T., & Adeoye, O. O. (2022). Succession planning and family business continuity: Perspectives from Lagos State, Nigeria. *Organization and Human Capital Development*, *1*(1), 40-52.

Olusegun, D. O. (2022). *Succession Planning and the Performance of Small Family Businesses in Kwara State* (Doctoral dissertation, Kwara State University (Nigeria)).

Onyeukwu, P., &Jekelle, H. E. (2019). Leadership succession and sustainability of small family owned businesses in South East Nigeria. *Open Journal of Business and Management*, *7*(03), 1207.

Orole, F. A. (2020). An investigation of family business succession decision: the Sub-Saharan African experience. Pp 1-216.

PwC Nigeria. (2022). Nigeria's Next Generation are challenging the status quo of family businesses – PwC's NextGen Survey 2022. https://nairametrics.com/2022/05/30/nigerias-next-generation-are-challenging-the-status-quo-of-family-businesses-pwcs-nextgen-survey-2022/

Ramadani, V., Memili, E., Palalić, R., & Chang, E. P. (2020). *Entrepreneurial family businesses*. New-York (US): Springer International Publishing.

Sanusi Dantata. (2023). *Life and Legacy of Sanusi Dantata*. Retrieved from https://en.wikipedia.org/wiki/Sanusi_Dantata

Schepker, D. J., Nyberg, A. J., Ulrich, M. D., & Wright, P. M. (2018). Planning for future leadership: Procedural rationality, formalized succession processes, and CEO influence in CEO succession planning. *Academy of Management Journal*, *61*(2), 523-552.

SpenglerFox. (2024). *Navigating the Pitfalls of Family Business Succession Planning*.https://spenglerfox.com/blog/navigating-the-pitfalls-of-family-business-succession-planning/

Stephen, O. U., Rejoice, O. E., &Uloma, E. H. (2019). Inheritance culture and management succession of family-owned businesses in Nigeria: an empirical study. *European Journal of Business and Innovation Research*, *7*(3), 31-47.

The Times. (2023). *What Family Firms Can Teach Us About Running a Business*.https://www.thetimes.co.uk/article/what-family-firms-can-teach-us-about-running-a-business-8q8dg562g

West, A. (2019). *Succession Planning in Family-Owned Businesses in Nigeria* [Doctoral Dissertation, Walden University]. Walden Dissertations and Doctoral Studies. https://scholarworks.waldenu.edu/dissertations/7093/