

# Leadership Succession and Sustainability of Small Family Owned Businesses in South East Nigeria

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## Abstract

Despite the acclaimed contributions of small businesses to growth of various economies, Nigeria inclusive, majority of family-owned businesses are confronted with similar challenge in the area of business continuity. With the dynamic and turbulent nature of Nigeria's business environment, increasing number of small family businesses operating in Nigeria have either shutdown or stopped operating at the retirement, incapacitation or death of the business proprietors/owners, owing to the absence of a clear succession plan, vision disconnect between the owner and the successor, lack of interest, requisite drive, technical knowledge and capabilities to manage the business prudently. Hence, this study investigates leadership succession and sustainability of small family-owned businesses in Anambra, South East Nigeria. The study employed the survey research design, carried out in Onitsha and Nnewi commercial and industrial hubs of Anambra State. The simple random sampling technique was employed to select sample of 298 registered small business owners. A five-point Likert structured 6-item questionnaire was adopted for data collection. The study employed Pearson Product Moment Correlation to determine the relationship between the dependent and independent variables. Also, the Paired Sample t-test was employed to verify the existence of statistical evidence proving that the mean difference between the paired observations in the hypothesis is significantly different from zero. The findings revealed that, mentoring and human capital development has significant influence on sustainability of small family owned businesses. The study therefore recommended that, family businesses owners should identify the successor early enough and adopt mentorship as a process to equipping the successor, who must however willingly show genuine interest and is not coerced into the business, and adequate time should be devoted for training of chosen successors, in order to equip them with relevant skills that will make

their businesses survive beyond the present through several generations.

## **Keywords**

Leadership, Succession, Mentoring, Human Capital, Family-Owned, Business

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## **1. Introduction**

In Nigeria and other developing and developed nations operating free market economies, small businesses considered as privately owned indigenous enterprises are perceived as catalysts and engines of economic growth, employment generation, wealth creation and redistribution, which make their roles and contribution to economic and national development invaluable. Most of these small businesses in Nigeria, like in other countries of the world are owned by individuals who operate them together with family members, or are known as family-owned businesses. This is the case of businesses in Onitsha and Nnewi commercial and industrial hubs of Anambra state, in South East Nigeria known for their uncommon entrepreneurial aptitude [1].

One of the problems faced by small businesses in Nigeria and others globally has been planned succession by way of purposeful transfer of operational, management and ownership controls to the next generation from the proprietors; which Obasan [2] asserts that effective management of succession issues is the single most important legacy one generation can bequeath to the next. In practice, succession is the mentoring of employees or family members for leadership development, to sustain or restore business survival, performance or growth when successors advance to management positions after the departure, retirement, incapacitation or death of incumbents [3]. Leadership succession in an organisation is a thoughtful and logical effort to ensure continuity of needed leadership in critical positions, retain knowledge and develop both intellectual and practical capital (competitive advantage) to exploit future opportunities, by encouraging personnel development. Summarily stated, succession entails planning which is a pre-emptive effort to guarantee seamless transition of an enterprise from its proprietor to a chosen successor through consistent mentoring and effective human capital development; which involves articulating a strategic action plan to guarantee the required human measures to make firm sustainability and growth possible [4].

According to empirical literatures [5], most family-owned businesses that endeavour 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 [6]. The resultant effect is that only very few enterprises outlive the first generation [6], of which a range of dynamics are likely responsible; however, a vast number of

these enterprises fail because succession action plans were not considered [7]. Of importance is the fact that leadership succession with family businesses is often complicated owing to the sentiments and associations involved, and also the perceived myths and suspicions surrounding the discussion of issues relating to death and fear of aging and financial status realities.

Several studies have also ascribed most proprietors' hesitancy to make succession plans, to factors such as the proprietor's strong passion and emotional attachment to the enterprise, retirement, incapacitation or death phobia, financial insecurity and absence of interest. It is therefore not unexpected that most small business owners rarely retire from their own businesses, but prefer dying while still managing the business [1]. Factors central to influencing succession plans are the role of mentoring and human capital development of prospective successors. Adopting the strategy of shared vision and goals of small family businesses to the potential successor is fundamental to effective leadership succession; while mentoring the prospective successor in the operational strategies of the business has the capacity to boost expertise and tacit knowledge in the firm, thus increasing the possibility of succession [4]. The essence of human capital development is to ensure that the appropriate person is taken through the stages of preparation for leadership responsibilities at the right time, to ensure acquisition of knowledge and skills necessary for the survival and growth of the business; hence the need to equip the successor for seamless transition to next generation. Therefore, the need to examine leadership succession and sustainability of small family owned businesses in Anambra, South East Nigeria.

### **1.1. Statement of the Problem**

Despite the acclaimed contributions of small businesses to growth of various economies, Nigeria inclusive, majority of family-owned businesses are confronted with business continuity challenge, as 95% of these small 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. With the dynamic and turbulent nature of Nigeria's business environment, increasing growth in marketplace competition, technological awareness and revolution, increasing number of family businesses operating in Onitsha and Nnewi areas of Anambra State, and other States in Nigeria have either shut down or stopped operating effectively at the incapacitation, retirement or death of the proprietors, owing to the absence of a clear succession plan, disconnect between the vision of the business owner and that of the relatives or children who have benefited from the fortunes of the business to acquire educational and professional qualifications; scepticism about transferring the business to a relative or children who have no interest, requisite drive, technical knowledge and capabilities to manage the business prudently. Therefore, small family-owned businesses are open to significant risk in sustainability due to inadequate or total absence of succession

plans; which is the basis for this study.

## 1.2. Objectives of the Study

The primary purpose of this study, therefore, is to investigate leadership succession and sustainability of small family-owned businesses in Anambra, South East Nigeria; while the specific objectives are;

- 1) to examine the influence of mentoring on sustainability of small family owned businesses in Anambra State.
- 2) to determine the influence of human capital development on sustainability of small family-owned businesses in Anambra State.

## 1.3. Research Questions

- 1) What is the influence of mentoring on sustainability of small family-owned businesses in Anambra State?
- 2) What is the influence of human capital development on sustainability of small family-owned businesses in Anambra State?

## 1.4. Hypotheses

**H<sub>01</sub>:** Mentoring has no influence on sustainability of small family-owned businesses in Anambra State.

**H<sub>02</sub>:** Human capital development has no influence on sustainability of small family-owned businesses in Anambra State.

## 2. Literature Review: Conceptual Framework

### 2.1. Leadership Succession

Globally, succession is described as the process in which managerial control is transferred from one executive or one generation to another [5]. Succession comprises all pre and post activities undertaken which precedes the actual transfer of control [8]. It ensures leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future, and encourage individual advancement [1]. Within the family business environment, succession is described as the measures and procedures that ensues the transfer of leadership from one member of the family to another [9]. It is the process by which transfer of ownership is made and control of commercial infrastructure or factors of production built by one generation of family to the next [10]. Furthermore, succession involves the handover of any form of commercial investment from the proprietor to a family member deemed capable and chosen to continue the business operations [6]. Hence, the choice of a successor in family business is often streamlined to members of the proprietor's nuclear family [11].

Succession planning being a proactive measure facilitates a seamless transition of business from the proprietor to a chosen successor [4]; hence, the success of succession from one leader or generation to another is significant to developing competitive edge and sustainability of any organisation regardless of the nature

of its ownership. Hence, succession process galvanizes firms towards strategic approaches of employee capacity evaluation, talent identification and management, and leadership development [12] [13]. A well-structured succession gives business organisations (family businesses inclusive) adequate time to offer specialised human capital development to the talented member of the family who has shown capacity and is likely to be selected as replacement for the retiring owner. Some of the broad benefits of pre-planned succession in a family business are the active mentoring of a choice successor; plugs talent and capacity gaps for the future of the business; reduces the possibility of business shut-down at the incapacitation or demise of its owner, helps the business remain competitive, will help in the short and long term business growth [14].

For successful leadership transfer and sustainability of the business prior to the successor taking over leadership control, there is need for the out-going leadership to feel comfortable with the family and business dimension, attributes of successor's capacity and qualifications. The process of succession in family-own businesses encompasses numerous interests and participants that include family members, other executives in the business, bankers, suppliers and customers, which has the tendency of affecting future business relationships [2]; thus, for a smooth succession process, key participants must come to have an understanding to continue the working relationship with one another. Other important factors to consider prior to the completion of the succession process are, firm continuity, sustainability of profitability, growth and competitiveness beyond the owner's capacity.

## 2.2. Mentorship

The concept of mentorship has been described as the act of developing identified individuals with talents and equipping them with the needed know-how and skills to be effective [15] in a particular area. It covers all premeditated undertakings encouraged by firms to develop its employees (which may be family members in the case of family-owned businesses) in order to sustain and improve the firm's competitive advantage [16]. Mentorship, according to Nnabuife and Okoli [1], encompasses the process that brings both experienced and inexperienced individuals together for knowledge sharing and transfer, work capacity and personal effectiveness development [17]. Mentoring in family business enables the sharing and transfer of wealth of knowledge acquired in the line of business [18] over the years to the mentee (next generation), to ensure the continuity of the patriarch's legacy [19].

The transfer of knowledge across generations within family-owned business helps bridge the gaps in practical learning and decision making not captured by formal educational system [20]. Hence, knowledge being transferred and shared forms the core of the firm's foundation bequeathed to the next generation for competitive advantage needed in sustaining the profitability, growth and success of their family-owned business [1]. However, the kind of mentorship experi-

enced in these family-owned business are often categorised between informal and formal mentorship [21]; owing to the fact that they are usually not appropriately structured, neither are they unstructured relationships [22]. In essence, mentoring is a globally acknowledged tool employed in building potential leaders, strengthen organisational and employee capabilities, broaden employee intelligence [19], develop organisational knowledge, and sustain the firm's competitive advantage [23].

### 2.3. Human Capital Development

Human capital being one of a firm's intangible and most valuable assets encompasses all inherent and acquired capabilities of individuals engaged within the firm [24]. These capabilities Elikwu [25] asserts to be various academic qualifications, technical, conceptual and analytical skills, experiences, potentials and competencies. Greenwood, *et al.*, [26] argues that if an organisation knows the contribution of its human capital to the firm's performance, it can therefore be measured and effectively managed. Further to being considered as every firm's core strategic resource [27], human capital has also been acknowledged to possess the inimitable potentials, premised on the assumption that every employee possesses the dynamic capability to uniquely add value in diverse ways.

The inimitability concept is associated with the human free will theory; hence, Reed, Srinivasan and Doty [28] assert that, the ability to uniquely add value in diverse ways allows human capital to be associated with the resource-based view, which posits that the inimitability of an organisation's internal resources [29] enables its' capability to contribute towards sustainable competitive advantage [30]. Hence, when human resource function is captured in a firm's strategy, it has potentials of enhancing organisational performance [26].

### 2.4. Sustainability

The concept of sustainability is similar to the concept of going concern attributed to businesses, which requires the sustenance and maintenance of such businesses on a long term basis prior to being termed as a going concern. Thus, for family-owned businesses, Ogundele, Idris & Ahmed-Ogundipe [5] asserts that the extent to which its life can be stretched while achieving its primary goal is referred to as sustainability, which is invariably affected by diverse factors such as proper succession planning [1], ability to anticipate and respond to change, among others, operation of the business as a separate legal entity, which entails separating personal funds and assets from business funds; put in place a system capable of carrying on the business operation independently of the owner; mentoring, training and equipping the successor with the internal workings of the business [2].

### 2.5. Empirical Review

Nnabuife and Okoli [1] examined succession's planning influence on sustain-

ability of some family-owned enterprises in Anambra State. The study employed the survey design, with a population of 275 family-owned businesses made up of 50 incorporated and 225 unincorporated family-owned businesses. The questionnaire was used to collect primary data, which was analysed using Pearson's Product Moment Correlation Coefficient to check for correlation, while *t*-test was employed to determine the mean variance. The findings showed there exists a high positive and significant correlation between mentorship and family business sustainability ( $r = 0.858$ ,  $p < 0.05$ ), and that no statistical variance exists between the views of incorporated family-owned businesses and unincorporated family-owned businesses on succession planning ( $t = -218$ ,  $p > 0.05$ ). In conclusion, the study maintained that mentorship is central in ensuring the continued existence of family-owned businesses. It therefore suggested that mentorship should be embraced by family-owned businesses as an inevitable process to achieving business sustainability; family business owners should ensure that genuine interest is shown by identified successors, while the process should be seen as a process of ensuring longevity of the enterprises as against an act of relinquishing power and control.

Nkam, Sena and Ndamsa [31] conducted a study in the Southwest and Northwest Regions of Cameroon to determine factors influencing sustainability of family-owned businesses in order to recommend measures beneficial to both the owners of Family Businesses and State to remedy the rate of business mortality. The study adopted a survey approach and employed a purposive sampling technique. A sample size of 30 family businesses was selected and primary data collected using structured questionnaire and interview questions. The study employed qualitative and quantitative methods of research, while collated data was analysed using the SPSS 17 software program. The results revealed that most of the family business initiators do not always have the notion of sustainability in mind before they die and hence do not prepare for succession.

Akpan and Ukpai [4] examined how succession planning influences survival of small businesses operating within Makurdi metropolis. The study adopted the descriptive survey design, a population of 560 family business owners and 120 proprietors drawn from the population as sample size for the study. Data were collected using a close-ended questionnaire; the analysis was carried out using mean and standard deviation, while posited hypothesis was tested using ANOVA. The study indicated that manpower training significantly influences longevity of small businesses; however, no significant variance exists in the mean responses of female and male small business owners. The finding implies that there is need for small business owners to put a succession plan in place to achieve desired business sustainability. The study therefore recommended that small business owners should identify successors in good time in order to have adequate time for required training and development that will ensure the survival of the family business through several generations.

Fatunmbi [32] studied competency of executives as it impacts on sustainabil-

ity of family-owned business operating in Lagos and Ogun States of Nigeria. The study adopted the descriptive research design, a population of 1806 and a sample size of 327 small businesses registered and operational in Lagos and Ogun states, while the stratified sampling method was employed to administer the research instrument to selected enterprises within the two states. Collected and collated data were analysed using the Pearson's Correlation statistical technique, analysed on the SPSS software. The finding indicated that ( $r = 0.93$ ;  $p < 0.01$ ) competency of executives has significant impact on sustainability of family-owned business; hence, the study recommended that there is need for family members managing owned businesses to embrace transition into new and varying roles in order to gain knowledge needed in corporate planning and policy making and also capabilities to identify and access opportunities and develop effective succession strategies, to help ensure choosing the right successor among the competent and high performing employees, irrespective of being family or nonfamily member.

Adedayo, Olanipekun and Ojo [6] investigated the factors responsible for effective succession as it affects organisation's sustainability among family businesses in Lagos and Ogun States of Nigeria. Survey research design was adopted; the population covered the entire owners of small family businesses registered with the Nigeria Association of Small and Medium Enterprises (NASME), while a sample size of 327 respondents was determined. The stratified and random sampling techniques were employed in administering the structured questionnaire, while the Pearson's Product Moment Correlation and Multiple Regression were employed to analyse collated data. The findings indicated that a strong positive relationship exists between succession planning and the organisation's sustainability. The study recommended the need for owners of small businesses to act proactively by crafting succession plans early enough in the life of the business, such that his experience will help the firm's survival.

Cherono, Towett and Njeje [33] examined the influence of mentorship practices on performance of employees in small manufacturing businesses operating in Kenya. The study employed the cross-sectional survey research design, which included employees of all the small manufacturing businesses as respondents. The data for the study was collected through administration of structured questionnaire, while the study adopted both inferential and descriptive statistics to arrive at conclusions on the correlation between variables being investigated. The posited hypotheses were tested using multiple regression analysis, of which the findings revealed that a significant correlation exists between leadership—knowledge transfer—innovative—talent development mentorship and employees' performance. The study therefore recommended that manufacturing businesses should consider mentorship practices as part of employee performance enhancement strategy.

Emerole [34] analysed the factors affecting family-owned businesses in Abia state, Nigeria. It employed random sampling technique in the selection of loca-



tion and used 100 respondents from whom data and information were elicited using pretested and well-structured questionnaire. In the course of data analysis, multiple regressions model and the Pearson's correlation coefficient were used. The analysis of variables affecting performance of FOBs indicated that Education, Age, Years of Experience, Line of business, Annual income and Household Size of the respondents were significant at 1-percent level. The R<sup>2</sup> (coefficient of determination) which shows the total variation of the dependent variables accounted for by the independent variables was 0.723 (that is 72.3%). The F-statistic value (20.028) was also significant at 1% indicating that the model was adequate. The Pearson's correlation revealed that there is a strong positive correlation between annual income of family business owners and the profitability of the family-owned businesses at the 1% (highest) level of significance. The study recommended that there is a need for supportive developmental programmes and policies for small family-owned businesses whose survival and longevity essentially depends on adequate knowledge of characteristics and constraints of family business operators and this should be put in place by the government.

Ogbechie and Anetor [7] carried out an evaluation of family-owned businesses in Lagos, Nigeria focusing on their succession planning, in order to determine the factors inhibiting seamless succession in these family-owned businesses. Data analysed was collected using a close ended research instrument administered to owners of the selected family-owned businesses, of which the analyses was done using the Statistical Package for Social Sciences (SPSS). The findings indicated that, absence of succession plans does not constitute significant factor accountable for succession problems, in spite of the fact that most family-owned businesses do not have succession plans. This implies that, other factors abound accountable for poor succession in most of the family-owned businesses in Nigeria.

Ofobruku and Nwakoby [23] examined the effects of mentoring on the performance of employees engaged in family-owned enterprises in the construction industry in Abuja. The study adopted the survey design, employing both qualitative and quantitative methods. The study employed a sample size of 367 employees engaged in construction companies operating within Abuja, while the Pearson correlation coefficient statistical technique was used in analysing collected data. The findings revealed a positive effect of mentoring on performance of employees; there is a more positive effect of career support on performance of employees than psychosocial support. The study therefore concluded that, performance among employees is premised on the level of mentorship programs adopted and practiced in the organisations. It was subsequently recommended that for sustenance of enhanced employee performance in family-owned businesses, mentorship programs should be adopted and practiced.

Akinyele, Ogbari, Akinyele and Dibia [3] examined the impact of succession planning on organisational survival of private tertiary institutions, with special

focus on Covenant University. The study adopted a sample size of 41 respondents (top and middle level management) from whom primary data were collected using structured questionnaire. A mixed method of cross sectional survey research design was adopted, while the Pearson correlation coefficient was employed to test the posited hypotheses. The findings revealed that, succession planning and career development has significant impact on organisational survival. The study therefore recommended that the management of Covenant University should place emphasis on talent management, career development and develop mentoring culture in order to foster organisational survival.

Obadan and Ohioyenoye [2] studied the succession planning process being employed by small family-owned hotels within Benin City, Edo State. Copies of questionnaire were administered on the chief executives and employees of two hotels who were sampled. The findings showed that no succession planning exists in the sampled firms (hotels), while capabilities of successors are not considered in the planning process, because of its non-existence. It was therefore recommended that Chief Executive Officer (CEO) of business firms (hotels) in the hospitality industry should develop formal succession plans, identify the successor and provide same with rudimentary management education and capacity development needed to effectively manage the businesses after the willing disengagement of the owners.

Osibanjo, Abiodun and Obamiro suggested six conceptual variables of succession planning consisting of talent retention, supervisor support, career development, organisational conflicts, turnover rate and nepotism; and further described the correlation among these variables as it affects organisational survival. Three privately owned universities in Ogun-State, Nigeria were captured as the sample. For the primary data collected, correlation analysis was used to determine association between the variables, while regression analysis was employed to determine the impact. The results indicated that organisational conflict, talent retention and nepotism have positive and significant correlation with organisational survival. Furthermore, supervisor support, career development and turnover rate all have insignificant correlation with organisational survival. It was therefore concluded that organisational survival and growth are affected by unhealthy conflicts among the employers and employees.

### **3. Methodology**

The study adopted survey design and the study was carried out in Onitsha and Nnewi commercial and industrial hubs of Anambra State. The population of the study was anchored 965 owners of small businesses with characteristics of family-owned businesses registered with the Anambra State Ministry of Commerce. A sample size of 340 was derived using Taro Yamane formula, augmented by 20% to ensure a useable returned sample of 283 or more. Out of the three hundred and forty (340) copies of structured questionnaire administered, only two hundred and ninety-eight (298) representing 87.6% were returned and found

good for the data analysis; which was derived using the simple random sampling technique. The structured questionnaire was adopted and restructured into 6-item questions by the researcher called: Mentoring and Human Capital Development of Successors Influences Sustainability of Small Family Business (MHCDSSISFB) questionnaire, and was used for data collection.

Data for this study was collected mainly from primary source through questionnaire adopted from Akpan and Ukpai [4] and restructured administered to the small family businesses. SPSS statistical package version 21 was used in analysing the data. The answer options for the questionnaire were developed using Likert scale with: SA—Strongly Agree, A—Agree, U—Uncertain, D—Disagree, SD—Strongly Disagree. In analysing the data collected from the questionnaire, descriptive statistics was employed. Pearson's Product moment correlation was employed in testing the two hypotheses. Also, the Paired Sample t-test was employed to verify the existence of statistical evidence proving that the mean difference between the paired observations in the hypothesis is significantly different from zero. The test applied 95% confidence interval reliability and 5% level of significance.

#### 4. Results and Findings

Analysis of the demographic information of the participants shows that 68% of the entire population were males while the remaining 32% were females. From their highest educational qualification, the response shows that 41.9% were graduates of the B.Sc., B.A., B. Tech or the Higher national Diploma, 21.6% were holders of NCE/ND certificates, 26.5% were holders of SSCE/WASSCE while the remaining 10% were holders of the various post-graduate degrees. Result from statement one in **Table 1** shows that 4.4% and 29.5% of the sample size agreed and strongly agreed that family members are by choice part of the daily running and operations of the business. However, majority of the respondents representing 38.6% and 20.8% disagreed and strongly disagreed respectively. Most of these proprietors complained that their family members, mores especially their children have their own dreams they are pursuing which does not align with that of the family business. This implies that majority of the business owners compel their family members to be part of the business. Result from statement two of the table indicates that, 46.3% and are of the opinion that involvement of family members in decision making will ensure emergence of a well-equipped successor. This was further strengthened by 8.7% who strongly agreed. However, 35.9% of the sample size disagreed to that; while 5.4% strongly disagreed. This implies that, involvement of family members in decision making processes that affects the survival, profitability and growth of the business will ensure emergence of a well-equipped successor.

Result from statement three of the table indicates that, most of the respondents 45% and 2.8% agreed and strongly agreed that, entrepreneurial mentoring improves successors' innovation/creativity for survival and growth of the business.

**Table 1.** Influence of succession (mentoring and human capital development) on sustainability of family-owned businesses

STATEMENT	SA 5	A 4	UD 3	D 2	SD 1
Family members are by choice part of the daily running and operations of the business	13 4.4%	88 29.5%	20 6.7%	115 38.6%	62 20.8%
Involvement of family members in decision making will ensure emergence of a well-equipped successor	26 8.7%	138 46.3%	11 3.7%	107 35.9%	16 5.4%
Entrepreneurial mentoring improves successors' creativity/innovation for survival and growth of the business	38 12.8%	134 45%	15 5%	98 32.9%	13 4.4%
It is important that a successor has worked outside the organisation before joining the business	61 20.4%	145 48.7%	11 3.7%	59 19.8%	22 7.4%
Small businesses thrive when successors are trained on effective resource management	71 23.8%	93 31.2%	8 2.7%	105 35.2%	21 7%
Acquisition of relevant skills enhances successors' operational ability to manage small business	34 11.4%	147 49.4%	7 2.3%	95 31.9%	15 5%

Source: Field Survey, 2019.

However, 32.9% and 4.4% disagreed and strongly disagreed respectively. This implies that majority of the respondents are of the opinion that the process of entrepreneurial mentoring helps the successor understand the intrigues and trends in the business; which helps improve the successors' creativity/innovation for survival and growth of the business when in control. Also, result from statement four of the table indicates that, 48.7% and 20.4% of the respondents variously agreed that, it is important that a successor works outside the organisation before joining the business. However, 19.8% and 7.4% of the respondents variously disagreed. This implies that, working knowledge and exposure to various organisational goals, visions and missions is needed by a successor to perform well.

Result from statement five of the table indicates that, majority of the respondents strongly agreed that small businesses thrive when successors are trained on effective resource management. This was affirmed by a total of 55% of the entire sample size. However, 35% and 7% of the respondents disagreed and strongly disagreed respectively. This implies that, human capital development in the area of effective resource management will make small businesses thrive when successors are in control. Furthermore, result from statement six of the table indicates that, most of the respondents, representing 49.4% and 11.4% of the sample size agreed and strongly agreed that acquisition of relevant skills enhances successors' operational ability to manage small business; while a total of 37% of the respondents disagreed. This implies that for successors to effectively manage the business when in control, they require various forms of organisational skills.

#### 4.1. Test of Hypotheses (Table 2 and Table 3)

##### Pearson Product Moment Correlation for Hypothesis One

**Table 2.** Correlation between mentoring and sustainability of small family-owned businesses.

		shows responses on Mentoring	showing responses sustainability of family-owned businesses
shows responses mentoring	Pearson Correlation	1	0.898**
	Sig. (2-tailed)		0.000
	N	298	298
responses on sustainability of family-owned businesses	Pearson Correlation	0.898**	1
	Sig. (2-tailed)	0.000	
	N	298	298

Source: Authors Computation, SPSS 21. \*\*Correlation is insignificant at the 0.05 level (2-tailed).

**Table 3.** Correlation between human capital development and sustainability of small family-owned businesses.

		shows responses on Human capital development	showing responses on sustainability of family-owned businesses
shows responses on human capital development	Pearson Correlation	1	0.955**
	Sig. (2-tailed)		0.000
	N	298	298
Responses on sustainability of family-owned businesses	Pearson Correlation	0.955**	1
	Sig. (2-tailed)	0.000	
	N	298	298

Source: Authors Computation, SPSS 21. \*\*Correlation is insignificant at the 0.05 level (2-tailed).

**H<sub>01</sub>:** Mentoring has no influence on sustainability of small family-owned businesses in Anambra State.

Examining the overall strength of the relationship between Mentoring and sustainability of family-owned businesses, the correlation coefficient (rho) value gave 0.898 indicating a positive and very strong correlation among the variables.

#### **Pearson Correlation for Hypothesis Two**

**H<sub>02</sub>:** Human capital development has no influence on sustainability of small family-owned businesses in Anambra State.

The overall strength of relationship between Human capital development and on sustainability of small family-owned businesses, the correlation coefficient (rho) value gave 0.955 indicating a positive and very strong correlation between the variable of interests.

#### **Paired Sample t-test**

**Table 4** shows the correlation among the paired observations employed in testing the hypotheses. In the first pair, the correlation value of 0.692 with its corresponding probability value of 0.07 shows that the paired observations (that is, shows responses mentoring—responses on sustainability of family-owned businesses) were strongly and positively correlated. This is because the correlated p-value of 0.007 is less than the 5% Confidence Interval, thus, we accept the  $H_1$  that the statistical difference between the paired means is not zero.

Also within the second pair, the correlation value of 0.701 and its corresponding p-value of 0.000 shows that the paired observations were strongly and positively correlated, as such, the  $H_1$  was also accepted that the statistical difference between the paired means is not zero.

From **Table 5**, the t-value of 2.462 shows the significant average difference within the first pair. This means that with  $t_{298}$  of 2.462 and a corresponding p-value of 0.023 which is less than the 5% Confidence Interval, we conclude that there was a significant average difference between the paired observations.

Also within the second pair, the  $t_{298}$  of 2.545 and a corresponding p-value of 0.012 which is less than the 5% Confidence Interval show that there was a significant average difference between the paired observations.

**Table 4.** Paired samples correlations.

		N	Correlation	Sig.
Pair 1	shows responses mentoring—Responses on sustainability of family-owned businesses	298	0.692	0.007
Pair 2	shows responses on Human capital development—Responses on sustainability of family-owned businesses	298	0.701	0.000

Source: Output from SPSS 21.

**Table 5.** Paired samples test.

	Paired Differences			t	df	Sig. (2-tailed)			
	Mean	Std. Deviation	Std. Error Mean				95% Confidence Interval of the Difference		
							Lower	Upper	
Pair 1	shows responses mentoring—Responses on sustainability of family-owned businesses	0.80333	2.53852	0.23391	0.18157	0.94324	2.462	131	0.023
Pair 2	shows responses on human capital development—Responses on sustainability of family-owned businesses	0.53030	2.39414	0.20838	0.11807	0.94253	2.545	131	0.012

Source: Output from SPSS 21.

## 4.2. Discussion of Major Findings

The correlation result revealed that ( $\rho$ ) value gave 0.898 indicating a positive and very strong correlation among the variables; while the calculated p-value for the entire variables in **Table 4** is (0.000), which is less than the level of significance at 0.05. We reject the null hypothesis ( $H_{01}$ ) and accept the alternate hypothesis. Hence, we conclude that Mentoring has influence on sustainability of small family-owned businesses in Anambra State. The implication is that when family members are by choice part of the daily running and operations of the business, there interest to make the business succeed is kindled and there are a shared goal and vision. Also when small family business owners involve family members in decision making, this strengthens the chances of a better-equipped successor emerging. Furthermore, it implies that entrepreneurial mentoring improves successors' innovation/creativity for survival and growth of the business. This finding supports the finding of Nnabuife and Okoli [1] which revealed that, mentorship is very important in the quest to preserve the sustainability of family-owned businesses. This finding is also in alignment with the result of Adedayo, Olanipekun and Ojo [6] which indicated that a strong positive relationship exists between succession planning and the organisation's sustainability, once the founder brings and grooms the successor with his experience to understand the management intricacies of the business. Furthermore, the finding is in agreement with the findings of Cheronon, Towett and Njeje [33] whose study revealed that a significant correlation exists between leadership—knowledge transfer—innovative—talent development mentorship and employees' performance; and Ofobruku and Nwakoby [23] whose study revealed a positive effect of mentoring on performance of employees; there is a more positive effect of career support on performance of employees than psychosocial support.

The correlation result in **Table 3** indicated that the ( $\rho$ ) value gave 0.955 indicating a positive and very strong correlation between the variable of interests, while the p-value for the entire variables is (0.000), which is less than 0.05, there exist enough evidence to reject the null hypothesis ( $H_{02}$ ) and conclude that human capital development has influence on sustainability of small family-owned businesses in Anambra State. The implication is that, it is important that the successor acquire some working experience outside the business in order to appreciate employees working relationship to the survival of the business; acquire knowledge and training in resource management and also acquire relevant skills to enhance operational ability of the successor. This finding is in agreement with the finding of Akpan and Ukpai [4] which revealed that manpower training influences longevity of small scale businesses. Also, the finding aligns with Akinyele, Ogbari, Akinyele and Dibia [3] whose study confirmed that succession planning and career development has significant impact on organisational survival. Hence, there is perceived employees need for career development opportunities for progressive advancement, in order to be adequately positioned for the institution's succession needs, thus ensuring the survival and perpetuity of

the university. However, the finding contradicts the position of Osibanjo, Abiodun and Obamiro whose finding indicated that supervisor support, career development and turnover rate all have insignificant correlation with organisational survival.

## 5. Conclusions and Recommendations

The study therefore concludes that there is a positive and very strong correlation between mentoring and sustainability of family-owned businesses and that there is also a positive and strong relationship between human capital development and on sustainability of small family-owned businesses, which implies that mentoring and human capacity development have positive relationship with the longevity of family-owned businesses.

In line with the conclusions and findings of this study, the following recommendations were made;

- 1) Family businesses desirous of continuity beyond the existence of the founder should identify the successor early enough and adopt mentorship as a process to equipping the successor, who must however willingly show genuine interest in the business.
- 2) That adequate time should be devoted for training of chosen successors, in order to equip them with relevant skills to see their businesses survive and successfully pass on from one generation to another.

## Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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