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An Empirical Study on Family Business Succession and Continuity: Perspectives from Lagos State, Nigeria

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Abstract

Environment scrutiny has shown that family-owned businesses are the common form of business in Nigeria, and their survival has generated concern, public discourse, and academic attention worldwide. One of the major issues to which this can be ascribed is the uncommonness of adequate succession planning practices. The objective of this paper is to examine the effect of succession planning on family business continuity in Lagos State, Nigeria. A survey research design was adopted for this paper, with 503 selected SMEs operating in Lagos State as the target population. Taro Yamane's sample size method was adopted, and data was collected through the use of a structured questionnaire adapted and validated for the study. The Cronbach's alpha coefficient for the questionnaire items ranges between 0.850 and 0.775. The questionnaire response rate was 93.20%. The gathered data were analyzed using descriptive and inferential (Pearson product-moment correlation and regression analysis) statistics. The analysis of the data revealed that succession planning had a significant effect on family business continuity ($R=0.738$, $R2 =0.545$, Adj. $R2 = 0.538$, $F (78.821) =1.95$); $p<0.05$). This paper concluded that succession planning is pertinent to the enhancement of continuity in family-owned businesses in Lagos State. The paper, therefore, recommends that for family businesses to continue to perform and achieve continuity, succession planning must be put into the strategic plan of the organization so that employees have adequate leadership competence and mentoring culture.

Keywords: *Business Continuity, Family Business, Mentoring, Performance, Resources, Succession Planning*

INTRODUCTION

Family-owned businesses are many, and according to Aderonke (2014), the majority of all businesses in the world constitute family-owned. The academic research and policy-makers interests in Small and Medium-sized Enterprises (SMEs), where family businesses can be classified, have grown due to the significant role they play in the economic development of many countries. An Irish report asserted that 75% of SMEs are family businesses, while over 60% of all businesses in most countries are classified as family businesses Osunde, (2017). Largely literature support that SMEs are seen as an important alternative sector in fostering socio-economic developments and reduction of poverty in both developed and developing. Therefore, SMEs and family businesses are expected to contribute in three distinctive areas: job creation capabilities, economic growth

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promotion, and a poverty reduction mechanism in poor countries, Arteaga and Menéndez-Requejo, (2017).

The study of family-owned businesses continues to gain momentum (De-Massis, Sharma, Chua, and Chrisman, 2012; Kellermanns and Eddleston, 2010; Rondi, Emanuela, De Massis, and Josip (2019); Sharma, Chrisman, and Chua, (1997) because this type of business has limitless potential for job creation, improvement of local technological adoption, and development of indigenous entrepreneurship within large scale industries. De-Massis, Sharma, Chua, and According to the Central Bank of Nigeria (CBN, 2011), family companies have the potential to reduce inequality gap, poverty, and social vices, as well as act as catalysts for innovations, inventions, and creativity; and to foster indigenous entrepreneurship in the country. Despite the fact that family companies have the ability to sustain themselves economically, their survival and continuity have been a source of significant worry and curiosity to scholars. Another important research area in the family business that has been discussed and that has yet to be explored in depth is business succession, business transferability, and intergenerational businesses, which Zellweger, Nason, and Nordqvist (2012) alluded to and which can be addressed through business succession planning to ensure continuity. Despite their well-documented accomplishments, family-owned firms have a significant problem in terms of company continuity, with 95 percent of family-owned enterprises failing to survive into the third generation of ownership (Akani,2015). Related studies have also revealed that less than one-third of family businesses survive to the second generation, and less than half of second-generation family enterprises survive to the third generation when the founder/manager retires or dies, according to the National Family Business Association (Chacha,2016). This problem is mostly caused by a lack of efficient corporate succession planning because generational enterprises are impossible to establish without adequate succession planning, according to Olulana (2015). The systematic long-term process of attaining objectives and duties inside a firm and preparing employees or groups of employees for responsibilities relating to work needed within an organization in the near future, according to Motwani, is referred to as succession planning (2016).

As in many other countries, the absence of succession planning has been a critical issue that has hampered the continuation of family-owned firms in Nigeria. According to Okon and Isong (2016), 94.2 percent of entrepreneurs in Nigeria do not have a succession plan in place. The literature has failed to investigate particular succession planning and its implications on the continuation of family-owned firms in Nigeria, despite the difficulty created by a dearth of corporate succession planning practices. However, the limited studies that have been undertaken on company succession planning have tended to be more focused on huge corporations, with less attention being paid to family-owned firms and small businesses in general. This is a concerning issue, especially given the fact that the vast majority of firms in the nation are small, family-owned enterprises (SMEs) (Ugwu, Ekwochi, & Everist,2017). Consequently, the significance of business succession planning is in its ability to limit the gap between business discontinuity and risk in the operations of the organization when key management personnel abruptly depart the company. So, the purpose of this article is to investigate the impact of business succession planning on the continuation of family companies in the Nigerian state of Lagos.

LITERATURE REVIEW

Succession is arguably one of the most critical issues a family business has to face. It is also one of the most challenging times in a family company. Succession is a systematic and reciprocal relationship that occurs between the successor and predecessor in a firm during the transferring process of leadership (Motwani, 2016). Business succession planning is a dominant theme in family business research, and it is seen as intergenerational transfer and a process that makes the business management or owners plan for the effective transfer of control, management, ownership, knowledge, skills, and values of a business entity to the next generation. According to Tiller (2012), corporate succession planning was first presented by Henri Fayol French management thinker, in 1916, who thought that if succession-planning needs were disregarded, businesses would not be prepared to make essential changes. Stability of tenure is one of Fayol's 14 principles of management, suggesting that significant staff turnover leads to inefficiency and, therefore, to a need for succession planning, Sharma and Agarwal (2016). Without question, the succession procedures in family companies constitute the most significant phase confronting family enterprises since it is precisely when the firm is handed from one generation to the next Okon and Isong, (2016). Supportably, one of the main dreams a founder typically has is to hand down his legacy to his offspring, given that he has accumulated capital, the commitment of potential members, entrepreneurial skills, and legitimacy Williams and Ahmed, (2018). Moreso, successful enterprises, agencies, and organizations have one thing in common, having a culture of succession management (Walsh & Seaward, 2006). The succession of the leadership is considered one of the biggest challenges for most family businesses. It arises as an essential field of research since one of the key causes family businesses fails is the absence of a defined succession plan (Chacha,2016). Succession in organizational theory and practices refers to the process of transferring managerial control from one leader or one generation of leaders to the next.

Benefits of Succession Planning

In addition to the business and its current workers, succession planning is vital for investors, consumers, the community, and the employees and their families, as well as the company and its present employees. As Motwani writes, "Success planning is widely believed to aid business organizations in internal re-sourcing, reduce attrition of the workforce caused by job-hopping high-fliers, and prepare qualified candidates for appointment to senior management positions" (2016). In each firm, regardless of its ownership structure, succession planning is crucial to its long-term viability and competitive advantage.

The Succession Management Process

There are six fundamental steps to succession planning that are virtually always the same no matter which technique is employed. According to Zellweger, Nason, and Nordqvist (2012), there are six fundamental steps to succession planning: Individual growth plans are put in place, leadership replacements are chosen when positions become available, and leadership transition is carried out. However, according to Sentot, Wahjoedi, and Nirbito (2014), there are four circumstances that cause the succession process to be hastened, which are referred to as the four D's, which are as follows: death, divorce, disability, and departure from the country.

The model of the succession management process developed by Harvey and Evans (1995) will be discussed in this section. The model is divided into three stages, which are as follows:
1) Pre-succession, the phase in which the potential successor has not entered the business yet.
2) Succession, the phase in which the successor moves through the formal hierarchy of the business
3) Post-succession phase in which conflict or damage in relationships and ambiguity that results from the previous phase are assessed and managed.

Family Business Continuity

The discussion on family business continuity would be incomplete unless it considers the prospect of the influence of knowledge management and succession planning strategies on the future of the business. Variable metrics of family business continuity have been proposed by various researchers. Venter, Farrington, and Boshoff, 2009 identified projected future continuity and family harmony as the most reliable measures. This group of metrics was defined by Lucio, Kosmas, and Rui (2015) as stewardship, governance, communication, professionalization, education, and development of family members, succession planning, and corporate citizenship.

As a result, given the nature of this study, which is based in Nigeria and dependent on the attendant elements that emerge in the business environment, the researchers opted to use profitability and company growth as metrics of family business survival. Business continuity (BC) is described as the capacity of a business to continue delivering products or services at acceptable predetermined levels following the occurrence of a disruptive catastrophe, such as a disaster. Elis, thank you very much for your help (2007). Furthermore, business continuity (also known as a business continuation) refers to the systems and procedures that an organization puts in place to guarantee that critical functions may continue to be performed during and after a crisis.

Family Business in Nigeria

The following are the percentages of family firms that operate in several of the world's major economies: Brazil received 90 percent of the vote, the United States received 96 percent, Belgium received 70 percent, Finland received 80 percent, France received 60 percent, Germany received 60 percent, the Netherlands received 74 percent, Poland received 80 percent, Portugal received 70 percent, Spain received 79 percent, the United Kingdom received 70 percent, and Australia received 75 percent (Timmons & Spinelli, 2009). Researchers estimate that there are more than 12 million family businesses in the United States alone, ranging from tiny privately held companies to major publicly listed firms, according to their findings.

Family business is prominent in Nigeria, as it is in many other areas of the world, and it is widely seen as essential to the country's economic development, poverty alleviation, and job creation efforts. Small and medium-sized firms (SMEs) account for a large proportion of family businesses in Nigeria, with the majority of these organizations working in the manufacturing, retailing, and service industries. An investigation by the Federal Bureau of Statistics (FBS) across the 36 states of the federal republic and the Federal Capital Territory (FCT) revealed that there were 17.28 million SMEs in the country, out of which 17.26 million were Ayobami, Olanireti, and Babarinde, according to the results of the investigation (2018).

Because of this, it is important to mention that family companies are rapidly becoming the fastest expanding segment of the Nigerian economy. I Family enterprises operate in many areas of the Nigerian economy and make important contributions to the country's economic activity and job opportunities. Family companies in Nigeria began to acquire importance in the country in the early 1970s when a huge number of personal enterprises began to grow up. These enterprises are available in a wide range of sizes, including small, medium, and big corporations. According to the classification, some notable instances of family enterprises include: The founders' companies are another type of categorization, with examples such as Jide Taiwo and Co, similarly private firms have examples such as Guardian Newspaper Nigeria, while public traded companies that are family-owned include Dangote Sugar Plc, Dangote Flour Plc, Honeywell PLC and Diamond Bank Plc. Small firms include Boluke chemist and Timi Olubiyi Consulting, while large firms include Global Communication Ltd (Glo) and Tasty Fried Chicken (TFC).

The Resource-Based View (RBV)

The resource-based view (RBV) served as the theoretical and empirical basis for this paper's theoretical and empirical approaches. RBV refers to the perception of the family as a resource that contributes to the success and long-term viability of a business. The resource-based approach has been one of the most often utilized theories to explain the strategy in family firms for many years. Litz,(1995). The resource-based view (RBV) states that family firms develop strategies and compete on the basis of the resources they have available to them. Those who hold this viewpoint believe that employing a family member is advantageous to the company because the family member is more likely to have an emotional investment in the company's survival and is, therefore, more likely to be more committed, work harder, and make greater sacrifices for the company. Within the family business study literature, the resource-based approach has been used to examine the dynamics of family businesses (Neubauer, & Lank, 2016; Simonazzi,2016). The resource-based perspective of the company provides tools for understanding the foundations of competitiveness as well as the long-term sustainability of competitive advantage (Litz,1995; Ward, 1987). It is possible to build a sustained competitive advantage on the basis of resources that are valued, distinctive, and cannot be replicated. Kuratko, as well as Hodgetts (2004). The family qualities that are difficult to mimic may bring various advantages to the family company, and it may be regarded as a significant resource in its own rights.

Empirical Review

Companies engage in succession planning to prepare for the eventual transfer of ownership, according to Esuh, Mohd, and Adebayo (2011). As a dynamic process, succession planning requires the existing ownership to prepare for the company's future and then put that plan into action. In reality, it occurs when the firm's owner desires to leave the company but still wishes the business to continue operating successfully. The goal here is to transfer ownership of the company to any of the family members rather than closing down the company completely as originally planned. A one-size-fits-all approach is simply not acceptable when it comes to succession planning, which is often believed to be an individual, case-by-case process in which a one-size-fits-all mentality is simply not appropriate (Sambrook,2005). In order to achieve effective succession or talent-pool management, it is necessary to develop a number of feeder groups that extend up and down the entire leadership pipeline or progression (Sambrook,2005). Succession planning is prompted by the family firm's desire to pursue succession for a number of different reasons.

First and foremost, tasks associated with succession planning are included in the succession process. According to Sharma, Chrisman, and Chua (2001), succession planning can raise the likelihood of a successful succession by 50 percent (1997). Most previous research has either treated succession planning as a one-dimensional process or combined its several dimensions into a single overall measure of success or failure. However, as previously said, while that method contributes to the body of knowledge, this research follows Dyck, Mauws, Starke, and Mischke (2002) in addressing succession planning as a long-term process including numerous activities and examining each activity separately.

In the previous work of Christensen 1953, Sharma, Chrisman, and Chua (1997) suggested that succession planning should be viewed as a process that includes identifying a pool of potential successors, designating the successor, and notifying the successor designate and other management leaders of the decision. For example, Lansberg (1988) and Ward (1987) added the necessity of training the successors and formulating a vision for the company after succession to this list of activities, whereas Sharma, Chrisman, and Gersick (2012) added defining a role for the retiring CEO to this list of activities. The literature suggests that succession planning is comprised of discrete components, which include, among other things, selecting and training a successor, developing a vision or strategic plan for the company after succession, clarifying the role of an incumbent who is leaving his or her post, and communicating the decision to key stakeholders.

When it comes to succession planning, it should be part of a continuous process that examines what leadership and management abilities are required for the company's long-term success as it seeks to achieve its goal. In the same way that one develops board members and the capabilities of the workforce, the organization's leadership needs should be examined on a regular basis, and development plans should be put in place. Similar to how fire stations prepare a company for a potential future disaster, a sound succession plan should examine what would happen if the CEO were suddenly unable to perform his or her responsibilities. According to Williams and Ahmed, a complete succession plan should take into account deteriorating abilities, upcoming retirement, as well as accidental death, among other things (2018).

METHODOLOGY

This paper adopted a survey methodology. The adoption of this design was influenced by the research problem and the research questions that were developed to address it. The study's population is comprised of 11,663 small and medium-sized enterprises (SMEs) based on data from the 2013 Survey report on SMEs in Nigeria conducted by the National Bureau of Statistics (NBS) in collaboration with SMEDAN. These businesses are classified as family-owned and operated businesses. Apapa, Ibeju-Lekki, Ikeja, Lagos-Island, and Lagos Mainland are the local governments that have been selected. When it comes to economic and strategic importance, Nigeria's largest city, Lagos, was chosen to host this research because of its strategic location in the country. According to Yamane's formula for sample determination in a finite population, the sampling size for this study was determined by using a sample size calculation method (1967).

The sampling formula developed by Yamane (1967) was used in order to determine a representative sample from the general population, which was adopted and implemented. The population was used to determine the sample size, which was 387 people. According to (Samani, 2016), a non-response rate of 30 percent should be factored into the sample size calculation to account for possible bias. So, the study's total sample size was increased to 503 SMEs operating in Lagos State by including the non-response rate allowance of 30% (116). Testing the validity of the research instrument was done to make sure that the correct variables were measuring what they were supposed to be measuring. The research instrument was also subjected to a reliability test, which is an indicator of internal consistency, and was carried out as part of the study. The internal consistency test revealed that the overall Cronbach coefficient for the entire questionnaire was () = 0.850, which indicates that the questionnaire was internally consistent (with the lowest being 0.775; and the highest 0.851). In accordance with the results of the pre-test carried out by the researcher, the scales were deemed reliable because the Cronbach's alpha was greater than 0.84, as recommended by Nunnally (1970), and one can confidently conclude that the instrument is highly reliable, as Gefen, Straub, and Boudreau (2000) found that it was greater than 0.70, which is the acceptable level.

FINDINGS AND DISCUSSION

It was determined that 503 questionnaires were administered to all of the respondents. Four hundred and ninety-nine questionnaires were found to be useful for the study after being coded and checked for accuracy. In total, 93.2 percent of the questionnaires were returned, with 34 questionnaires not returned, accounting for 6.8 percent of the total number of questionnaires distributed. It was decided to use standard multiple regression analysis with the ordinary least square method (OLS) in order to test the hypotheses. The information used in this study was compiled by adding up all of the responses to the questions about succession planning and family business continuity. Family business continuity is a dependent variable in the analysis, whereas succession planning is considered an independent variable. The results of the regression analysis are presented in Tables 1.1, 1.2, and 1.3, respectively.

Table 1.1: Summary of the correlation coefficient between succession planning and family business continuity in Lagos State, Nigeria

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.738a	0.545	0.538	17.97060
a. Predictors: (Constant), Governance, Family Values, Succession Plan, Founders Influence, Mentoring, Competence of Successors, Family Business Stakeholders				

Source: Field Survey, December 2020

The data in Table 1.1 shows a summary of the regression model, with the values of R, R2, and Adjusted R2 equal to 0.738, 0.545, and 0.538, respectively, for the three variables. The results show that when the seven independent variables (succession planning factors) are combined to determine their effect on the family business continuity of owners in Lagos State, the coefficient of

multiple correlations (R) = 0.738 and the adjusted coefficient of multiple determination (Adj. R2) = 0.538 are obtained, both of which are statistically significant at the 0.05 level of significance.
As indicated by the adjusted coefficient of multiple determination (Adj. R2) of 0.538, the seven independent variables of succession planning (governance, family values, succession plan, founders' influence, mentoring, successors' competence, and family business stakeholders) that were studied together accounted for 53.8 percent of the variance in family business continuity of owners in Lagos State, Nigeria. The remaining unexplained 46.2 percent might be attributable to a variety of different factors that were not taken into consideration in our model. Based on this result (53.8 percent), it can be concluded that the succession planning elements mentioned above impact the family business continuity of the proprietors in the state of Lagos, Nigeria.

Table 1.2: Summary showing the analysis of variance of the effect of succession planning on family business continuity in Lagos State, Nigeria

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	178182.497	7	25454.642	78.821	.000b
	Residual	148553.503	460	322.942		
	Total	326736.000	467			

a. Dependent Variable: Business Continuity

b. Predictors: (Constant), Governance, Family Values, Succession Plan, Founders Influence, Mentoring, Competence of Successors, Family Business Stakeholders

Source: Field Survey, December 2020

The results in Table 1.2 show that the analysis of variance (ANOVA) of multiple regression produced an F value of 78.821, which is significant at a 0.05 level. This implies that the independent variables that are governance, family values, succession plan, founders' influence, mentoring, the competence of successors, and family business stakeholders jointly have a significant effect on the family business continuity of owners in Lagos State, Nigeria. It further indicates that statistically, the model applied can significantly predict the changes in the family business continuity of owners in Lagos State, Nigeria. To test the hypothesis, the F value (78.821) is compared against the F Table at 7 and 460 degrees of freedom and a 5% level of significance, which is at 1.95. Therefore, since the F value (78.821) is greater than the F table (1.95), hence we reject the null hypothesis two (H02), which states that there is no significant effect of succession planning on business continuity in Lagos State, Nigeria. This conclusion can be confirmed by the correlation coefficient R at 0.738 or 73.8% (see table 4.23a).
Hence, it is hereby concluded that there is a significant effect of succession planning on business continuity in Lagos State, Nigeria.
Table 1.3: Multiple regression coefficients of the effect of succession planning on family business continuity in Lagos State, Nigeria

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.123	4.904		0.841	0.401
	Succession Plan	-1.442	0.183	-0.357	-7.896	0.000
	Founders Influence	1.912	0.385	0.252	4.960	0.000
	Competence of Successors	-2.931	0.380	-0.444	-7.714	0.000
	Family Values	4.337	0.406	0.613	10.674	0.000
	Family Business Stakeholders	-0.264	0.446	-0.036	-0.593	0.553
	Mentoring	1.090	0.346	0.147	3.150	0.002
	Governance	2.957	0.324	0.537	9.134	0.000

a. Dependent Variable: Business Continuity
Source: Field Survey, December 2020

The results in Table 1.3 reveal that holding independent variables that is, governance, family values, succession plan, founders influence, mentoring, competence of successors, and family business stakeholders training to a constant zero, family business continuity of owners in Lagos State would be at 4.123. The column labeled "Unstandardized Coefficients" reveals unstandardized regression coefficients for governance, family values, succession plan, founders influence, mentoring, competence of successors, and family business stakeholders to be 2.957 ($t = 9.134$, $p = 0.000$), 4.337 ($t= 10.674$, $p= 0.000$), -1.442 ($t= -7.896$, $p= 0.000$), 1.912 ($t= 4.960$, $p= 0.000$), 1.090 ($t= 3.150$, $p= 0.002$), -2.931 ($t= -7.714$, $p= 0.000$), and -.264 ($t= -.593$, $p= 0.553$) respectively.

The results reveal governance, family values, succession plan, founders' influence, mentoring, and competence of successors have a significant influence on family business continuity of owners in Lagos State because their p-values are greater than 0.05 overall significance level. However, the coefficient of family business stakeholders is negative and not statistically significant (p-value > 0.05). An assessment of the coefficients of succession plan and competence of successors in Table 1.3 reveals that both succession plan and competence of successors have negative and significant coefficients of -1.442 and -2.931 respectively, implying that family business continuity of owners in Lagos State moves in the opposite direction with the changes in succession plan and competence of successors and that a 1 unit change in succession plan and competence of successors respectively causes -1.442 and -2.931 respectively units changes in family business continuity of owners in Lagos State.

Additional check on coefficients of founders influence, family values, mentoring, and governance reveals that founders influence, family values, mentoring, and governance have positive and significant coefficients equals 1.912, 4.337, 1.090, and 2.957, suggesting that founders influence, family values, mentoring, and governance and family business continuity of owners in Lagos State moves in the same direction and that a 1 unit change in founders influence, family values, mentoring, and governance results to positive 1.912, 4.337, 1.090 and 2.957 units change in family business continuity of owners in Lagos State respectively. The t-statistic for the independent variables shows that coefficients of governance, family values, succession plan, founders' influence, mentoring, and competence of successors are statistically significant, while the coefficient of family business stakeholders is not. The regression equation generated from the analysis is stated as follows:

$$Y = 4.123 – 1.442SP + 1.912FI – 2.931COS + 4.337FV - 0.264FBS + 1.090M + 2.957G$$

Where:

Y = Family Business Continuity
SP = Succession Plan
FI = Founders Influence
COS = Competence of Successors
FV = Family Values
FBS = Family Business Stakeholders
M = Mentoring
G = Governance

The regression model above shows the significant effect of succession planning on family business continuity of owners in Lagos State. As regards the relative contribution of each of the independent variables to the family business continuity of owners, the standardized coefficients (beta weights) of the independent variables indicate that family values made the highest contribution (beta weight = .618 or 61.8%). This is followed by governance (beta weight = .537 or 53.7%), Founders Influence (beta weight = .252 or 25.2%), Mentoring (beta weight = .147 or 14.7%), Succession Plan (beta weight = -.357 or 35.7%), Competence of Successors (beta weight = -.444 or 44.4%), and Family Business Stakeholders (beta weight = -.036 or 3.6%).

DISCUSSION

Business continuity in Lagos State, Nigeria, is shown to be highly impacted by succession planning, according to the findings of this paper's investigation. The findings of Ogbechie and Anetor (2015), Kaunda and Nkhoma (2013), Sardeshmukh and Corbett (2011), and Aderonke (2010) are consistent with the findings of Ogbechie and Anetor (2015), Kaunda and Nkhoma (2013), Sardeshmukh and Corbett (2011), and Aderonke (2010). (2014). Cultural variables such as the extended family structure, inheritance custom (such as preference for boys and marriage), and education, they all agree, have key influences on the successful succession of family companies. According to Oyewole (2018), inadequate succession planning by businesses in Nigeria is caused by the following causes, which he found to be the case in his study.

The findings of this article were consistent with those of Osibanjo, Abiodun, and Obamiro (2011), who found that there was a considerable positive association between succession planning and the long-term viability of a company. According to Ugoani (2015), succession planning is essential for guaranteeing the long-term viability of any family-owned firm. According to Motwani (2016), a lack of succession planning might put a huge number of family companies at danger, as well as have a negative influence on the national economy. Based on the findings of this study and their relationship with similar findings in the existing literature, the study rejects the null hypothesis (H02), which states that there is no significant effect of succession planning on business continuity in Lagos State, Nigeria, and instead proposes a new hypothesis (H03).

CONCLUSION

It is clear from the existing literature that family-owned businesses constitute a distinct and vibrant subject of research. The existing literature also demonstrated that family-owned enterprises are not hidden away but can be found all over the world in a variety of forms and sizes. According to the findings of this article, family company managers in Lagos State could benefit from being educated on some of the elements that are related to not just perceived business continuity but also experiencing family business profitability. This article recommends that potential successors be brought into the family business at an early enough stage to earn the confidence and respect of other non-family employees before being promoted to a position of increased responsibility.

The findings indicate that comparable research is undertaken on an annual basis within the study area's firms to determine the extent to which the family businesses have executed their respective succession planning strategies. As an extension of this article, the causes for these family businesses/SMEs not having a comprehensive succession planning strategy might be investigated further. Research on chosen SMEs that are family enterprises in Lagos State was carried out in this article; hence, the same study might be carried out in other States and sectors to see whether the same findings would be achieved.

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