

THE EFFECTS OF STRATEGIC SUCCESS PLANNING ON BUSINESS CONTINUITY IN NIGERIA.

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Abstract

Considering the rate of failures of Nigerian businesses to transfer management control beyond the 2 or 3 generation, the study investigated the effects of strategic succession planning on business continuity in Nigeria. The primary objective of this study is to determine the impact of the succession planning activities (succession selection and training, post-succession business strategy, post succession role of incumbent, dissemination of succession decision) that lead to business continuity. The

study determined the role of innovative culture in the relationship between succession

planning activities and business continuity and found the strategies employed by businesses in ensuring continuity in Nigeria. Drawing from the planned behavior, game and leader-member exchange theories, the study postulated eight hypotheses developed from the conceptual model. The sequential explanatory mixed methods research design was adopted, and structured questionnaires and interview guides were used to gather data analyzed using the exploratory factor analysis, confirmatory factor analysis, structural equation modeling, pattern matching, and coding. The sample size for the quantitative study was 332 and seven for the qualitative study. The results show that successor selection and training have a positive and significant effect on business continuity. Furthermore, the study found a positive and significant relationship between dissemination of succession decision and business continuity. The study concludes that dissemination of succession decision; and successor selection and training are critical in ensuring business continuity. The study recommends that businesses should develop a strategic succession planning process to aid business continuity and that necessary steps should be taken to select the successor, train and prepare the successor for effective takeover of management control. The study also recommends for adequate and timely dissemination of the succession decision to relevant stakeholders. It is also recommended that policy makers and regulators saddled with the responsibility of regulating and formulating policies for businesses should draw from the findings of this study in ensuring that organizations incorporate these relevant succession planning activities in their policies.

Keywords: Succession planning, business continuity, successor selection and training, dissemination of succession decision.

