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Succession Planning and Corporate Survival: A Study of Selected Nigeria Firms

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Abstract:

This study examines the effect of succession planning on the survival of Nigeria firms. The purpose of the study is to determine whether there is effective succession planning policies in Nigeria firms and the extent it has contributed to their survival. The population of the study is the total staff of five blue-chip companies from different sectors in Nigeria Stock exchange while the sample size was extracted from the population using Taro Yameni. Weighted mean and Z-test are used as method of analysis and hypothesis testing. The result of the study revealed that There is presence of succession plan policies in Nigerian firms; There is significant positive relationship between Mentoring and survival of Nigerian Firms; that delegation of authority has significant relationship on the survival of Nigerian firms; that there is significant positive relationship between employees /talent retention and Survival of Nigerian firms; that Employees development has significant positive impact on survival of Nigerian firms; and that there is significant positive relationship between internal recruitment and survival of Nigerian firms. In view of the above findings, the study concludes that succession planning is the fulcrum on which survival of organizations revolve. The study therefore recommends that Nigeria firms should give more serious attention to succession planning policies; That mentoring though an old-long business survival strategy should be seen as very relevant succession planning tool; that adequate and effective communication between and among the parties involved in mentoring can go a long way in reducing the incidence of lack of trust and dishonest tendencies in the parties involved; that delegation is very essential in maintaining the day to day running of an organization hence leaders should delegate adequate responsibility to their subordinate in the organization; that Organizations should map out training programmes (both on the job and off the job) so that subordinate should have adequate knowledge and skill required for all job positions; that Organization should Endeavour to recruit internally for effectivity and efficiency; that Organizations should Endeavour to retain their staff and reduce the incidence of labour turnover

Keywords: *Succession planning, Delegation, mentoring, employee development, employee retention, internal recruitment, organizational survival*

1. Introduction

1.1. Background of the Study

No organization remains entirely under the leadership of one man, or rather; no leader will remain in office in perpetuity. Every organization must experience a leadership or managerial succession. As leaders, all human beings, are mortal hence it is imperative for any organization's long term stability, growth and survival, to always look beyond the incumbent leader and develop strategies and policies that will create conditions for smooth succession. In the words of Charan et al (2001) succession planning is perpetuating the enterprise by filling the pipeline with high-performing people to ensure that every leadership level has an abundance of good performers to draw from, both now and in future. An effective and forward looking organization will have a transition plan as an avenue for building subsequent leaders who will be on the ground to take over from the incumbent when the incumbent eventually leaves, dies or retires from office. In highly consistent firms, leadership training starts from the first day an employee comes in as a trainee.



Figure 1: Succession planning Matrix by Tricia Reardon

Source: adopted from The Archway Group Pty Ltd, Copyright© 2007 (ABN 32 118 866 621)

For succession planning conscious firms, every leadership change is a long-term planning project. Records of employee activities: their exploits and their continuous assessment of the understanding of the entire firms are factors considered before effective changes are made in leadership. Consistency in the leadership through effective succession plan gives assurance of organizational survival. A leader who does not understand the strategies in place before the assumption of office may make decisions that will disorganize an already working strategy. The importation of captains of firms, mostly behavior identified among multinationals, could mean a change of strategy when the need has not arisen or even worse still if the new leadership must understand the already existing strategy because resources have to be lost to allow for appropriate acclimatization. Often, the results of bringing outside persons to assume the leadership of firms are regrettably dramatic. Sometimes: remarkable increases in product prices, significant variations in product quality, dramatic changes in relationship management and public relationships and worse still destroying already working strategy of the firm. All these may have great unpredictable effects on the sales and profit, contract attraction, among others which at the long run hinder sustainability and survival.

Meanwhile corporate survival is a wider view of corporate sustainability which takes the time of researchers to prove though some scholars use the two words interchangeably. According to Crowder (2002), sustainability is concerned with the effect which action taken in the present has upon the options available in the future; therefore corporate sustainability is the maintainable growth level in the corporate performance indices. With this definition in mind, it seems that survival and sustainability though two words but remains the only primary goal or objective of every organization. Successful organizations are those capable of achieving their objectives and goals and maintain it over a long period of time. However Gross (1968) maintains that organization that doesn't have survival as primary objective or goal should have a re-think. He further opines that the concept of survival is an unwritten law which is referred to as "the Iron law of survival" of every organization. He maintains that every organization should see survival as an absolute prerequisite for serving any interest whatsoever.

In the world today, succession plan has become the concern for all corporations. Researches by (Hall, 1988; Greer et al, 1989; Smith et al, 1992; Leggett, 2007; Mitshra & El-Osta 2008; Snyder, 2009; Smith et al, 1992; Jivraj & Wood, 2002; Heffer, 2005; Vosburgh, 2007; Nayab, 2010; Adewale et al, 2011 and Ohiorenoya & Obadan, 2013) have confirmed that effective succession planning gives assurance of organizational survival.

This study is in line with the ongoing research in Nigeria and around the globe on the evaluation of the relationship that exists between succession plan and corporate survival. Few researches conducted especially in Nigeria used small businesses and nonprofit entities as study area. This study will focus on Blue cheap companies quoted on Nigeria Stock exchange as study area.

Since empirical evidence on this area is scanty, the end result of this study will be beneficial to academics by serving as a guide for subsequent researches and to lend more support to the improvement of corporate survival and sustainability though effective succession planning.

1.2. Statement of the Problem

Obviously some organizations perform better and survived longer than others. It is possible that an organization having equal capacity in man, machine, money and material could survive much longer or shorter than some other organizations. To determine what makes the difference, effective succession plan should be evaluated. The ideal situation is that firms are born to last for eternity being super persons. A firm that fails to strategically put in place a well articulated effective succession planning policy will definitely encounter the problem of continuous existence and survival, hence liquidation. However, when a firm got liquidated or dies, it brought unpleasant experience to all stakeholders; loss of investment and dividend to shareholders, stoppage of social responsibility activities to the host community, loss of job to employees, and loss of tax revenue to the government. A situation like this exposes many families to severe difficulties.

The process of showing emerging companies the road-map to effective succession plan has not been fully enhanced. This study will improve the situation by analyzing the process of effective succession planning in some of the Nigerian most flourishing companies known for excellence performance that have sustained and survived for many years.

1.3. Objective of the Study

The main thrust of this study is to determine the effect of succession planning on the survival of Nigeria firms. Drawn from the above broad objectives are the following specific objectives:

- To find out whether there is effective succession planning policies in Nigerian firms
- To examine whether there is significant relationship between Mentoring and corporate survival.
- To evaluate the nature of relationship between delegation of authority and corporate survival
- To investigate the effect of Employee/talent Retention on survival of Nigerian firms
- To appraise the impact of Employee development on the survival of Nigerian firms
- To determine whether internal recruitment contributes to survival of Nigerian firms.

1.4. Research Questions

The following research questions are formulated to aid the research for solutions and answers in achieving the above objectives:

- To what extent does succession plan policies exists in Nigerian firms?
- What is the nature of relationship between Mentoring and corporate survival?
- To what extent does delegation of authority affects survival of Nigerian firms?
- What is the effect of Employee/Talent retention on the survival of Nigerian firms?
- What is the nature of impact between Employee development and survival of Nigerian firms?
- How do you appraise the contribution of internal recruitment to survival of Nigerian firms?

1.5. Research Hypotheses

Based on the highlighted research objectives, the research hypotheses are formulated to the research for solution and answers to the problems:

- H_{01} : There is no presence of succession plan policies in Nigerian firms.
- H_{02} : There is no significant positive relationship between Mentoring and survival of Nigerian Firms.
- H_{03} : Delegation of authority has no significant relationship on the survival of Nigerian firms
- H_{04} : There is no significant positive relationship between employees /talent retention and Survival of Nigerian firms
- H_{05} : Employees development has no significant positive impact on survival of Nigerian firms
- H_{06} : There is no significant positive relationship between internal recruitment and survival of Nigerian firms.

2. Review of Related Literature

2.1. Conceptual Review

Ayres (1990) defines succession plan as the most single lasting gift one generation can bestow upon the next generation. This definition alien with the perspective of Succession in the organization theory and practice that refers succession as the process of transferring managerial control from one leader or generation to the next. This includes the dynamics preceding the actual transition as well as the aftermath of the transition. Shepherd and Zacharakis (2000) visualize succession plan as a process by which one or more successors are identified for key post, and career moves, and/or development activities explained for these successors. Sharma et al (2003) opines that management succession refers to a dynamic transitional process with which a manager known as the predecessor (in many cases as the chief executive) steps down from a primary position of influence and authority as a result of ill health, old age or death and is succeeded by another individual known as the successor.

Rothwell (2001) approach succession plan from the perspective of career development, he defines succession plan as a deliberate and systematic effort by an organization to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital in future, and

encourage individual advancement. This view clearly encompasses more positions than that of chief executive, and implies an ongoing program of individual leadership development throughout the organization. Noe et al (2000) define succession planning as a process of identifying and preparing suitable high potential employees to replace key players within the organization as their terms expire. William et al (1996) assert that regardless of the expansion or contraction of the total workforce in the organizations, the need for good managers is critical and continuous. They further stated that the availability of the right number, right kind of management staff at the right time and in the right positions is imperative. A sudden vacancy can lead to confusion and loss of efficiency as the search for a replacement is conducted. The absence or loss of an employee could cause an inconvenience that could be avoided with some anticipation to serious succession development. Therefore, planning on how one's shoe is going to be filled when he is no longer there and even planning for knowledge coverage when one is ill or vacationing simply makes good business sense. For professionally run corporations, the single most important reason for having a sound succession plan is usually for Employee's retention because of growth opportunities and job satisfaction among employees. Therefore, for a company that wishes to enhance its performance, to allow its high potential employees turnover is not an option, but to rather arrange them in systematic successions, by enabling them to effectively perform roles traditionally reserved for managers. It also helps employees prepare for changes in their current jobs that may result from new technology, work designs or new product markets. Thus, succession planning is a necessary component of a company's effort to improve quality, meet challenges of global competition, social change and incorporate technology advances. Ruthwell (2005) examined succession planning as a staffing responsibility that relates to promotions ,terminations and retirement. In addition, succession planning has a direct impact on reducing staff turnover. A leader must make sure that someone must step up and a leader need to be prepare to delegate big and not superficial.

The first part of someone learning your job is about the work and a succession conscious leader must give his trusted subordinate opportunities to practice working at all level. Succession planning has become really important for managers and executives in the current business world because, now they have begun to understand the importance of securing their companies eventually by selecting future leaders (White, 1987).

Without succession planning, a company that has become successful can just as easily fail. Without suitable succession planning, the future growth of the business is left to chance once that leader is gone. Under such a situation, if it succeeds at all, it is by default rather than intended. Succession planning enables your business to identify brilliant employees and provide education to develop them for future higher level and broader tasks. A closer look at some organizations under study reveals that they have planned succession leadership which helps them remain focus on its objectives. In these organizations, leadership is planned ahead of time to maintain consistency. Succession planning concerns the selection of talented employees to replace senior managers who leave the firm because of retirement, reassignment, or other reasons.(Nwosu,2014). Nwosu further maintains that effective succession planning assures minimizing or no disruption and dislocation from organization's programs and goals.

To develop an effective succession plan there are four stages vis: Recognizing jobs for succession; Developing a obvious understanding of the capabilities required to carry out those roles; Identifying workforces who could potentially fill and do highly in such roles; Preparing workforces to be ready for development into each identified role.

Meanwhile all variables of succession planning proposed for this study that affected corporate survival (Mentoring, delegation, Employee retention, Employee development and internal recruitment) is depicted in Researcher's model of succession planning and corporate survival in fig.1.

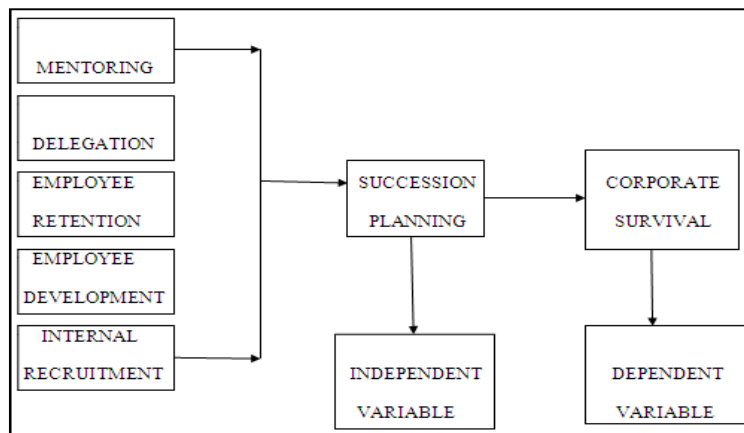


Figure 2: Model of Succession planning and corporate survival framework
Source: Researcher's design 2014

2.1.1. Mentoring

One of the surest avenues of effecting an effective succession plan is through mentorship. The concept, construct and operationalization of mentorship is as old as man. According to Egwu

(2012), Our Lord Jesus Christ alluded clearly to mentorship when he spoke in Mathew (25:13) about talents, skills, capabilities, profits, performance, productivity, return in investment, cash flow and breakeven point analysis. Indeed, this chapter popularly referred to as the MATTHEW LAW, according to Egwu is the foundation of capitalism. Our external Mentor Jesus Christ expected us to be good and faithful servants, being faithful over a few thing in order to rule many more things. Egwu posit that lack of Mentoring has been identified as possible panacea to global economic distress, organizational failure and poor business leadership succession plan while he strongly believes that effective mentoring can be a possible foundation to increase in competitiveness of sub Sahara nations in global economy. On the merits of mentoring, Egwu maintains that Mentoring has positive implication for those being mentored, mentors and the organization. According to him, it enables the positive transmission of organizational values, culture, goals and vision. Nwogwugwu (2012) agrees with Egwu by positing that adequate mentorship enables the mentored to aspire to the heights of their mentors to be like them, and even in some cases perform better than them. In addition Hall and Smith (2009) in Egwu(2012) concludes that mentoring unlike apprenticeship and coaching increases the skills, abilities and talents of one being mentored. Business mentoring allows the "Ripecorn" or "CASHCOWS" to be isolated very early in their career and mentored into excellence thereby exploring capabilities, skills, capacities and other hidden potentials and adequately preparing and equipping them for competition nationally and internationally not only economically but in other aspects of life. Since mentoring involves direct relationship with the mentor and the mentored, there is face to face contact which offers a fertilizing opportunity for the growth of trust and confidence in the parties. This allows the mentor and the mentored to give opportunities for the development of competence, capabilities, productivity and performance as in the case of Elijah and Elisha in the Holy Bible.

On the mentoring strategy of one of the firms under study, the UAC Plc, Ugwu (2012) said that in organization where mentoring or delegation is well established, like the old UAC, the "Ripe corn" or "CASH COWS" are isolated very clearly in their carriers and mentored into excellence. The UAC of old and present, as a matter of policy, put measures in place to discover young people whom they think has what it takes to take their organization to the promise land. These classes of people though might be picked

from management trainee level are mentored into excellence and allow grow through the ranks to take over the leadership of the organization in future time. This basic technique entails identifying in advance the specific subordinate best suited to serve as the next chief executive, a similar but somewhat more involved method is maintain a ranking of several individual within the organization'

On the relationship between mentorship and leadership succession, Egwu emphasize that mentorship is the root of corporate citizenship and self efficacy in organization. According to him, when people properly choose their mentors and mentees whom they are sure would be committed, loyal and patriotic leadership succession of the future, they are happier that their efforts would not at the end be in vain. The mentor has a willingness to devote his energy to produce his successor while the mentee have a loyalty to act according to the dictates of the mentor, all to the benefit of the organization. Egwu concluded by stating that generally mentoring enhances job satisfaction and performance. Ensher in effort to link mentoring with performance and survival maintains that mentees tend to be more satisfy than non mentored ones and job satisfaction have been found to increase performance. He however posits that organizations that show the belief in their young employees and go ahead to mentor them find individuals clearly reciprocating through performance.

Though mentoring has much usefulness in the area of business and other aspects of life yet it is without significant shortfalls. Criticisms of mentoring point out some negative consequences of mentoring. Human Resources International, 2002, and Gibb (1999) in Egwu (2012) listed these negative consequences to include that: Mentors delegate too much work; Mentors takes credit of mentee's work; Mentors sabotage credit of mentee's work; Mentors sabotage or deceive Mentee, Mentors can be incompetence but hide it, Mentors sexually harass mentees.

In spite of the above shortcomings, mentoring still has significant and commendable effect in the positive performance and survival of organization not only in Nigeria but in global environment (Choa et al (1992); Arecher et al (1990); Eby et al (2004); Kiran (1995); Ragin (1997); Scandura (1992) and Thomas (1990) in Egwu (2012) all have positive reports from their different studies conducted at different time in different environment.

2.1.2. Delegation

In any business organization, identifying, developing and retaining key talents is key to not only the success of the business today but securing success in the future, working with key team members to map out a future, for them, within your organization. A significant part of developing talent, and freeing up more of your time to lead versus managing, is to delegate effectively. Delegation refers to the process by which a superior gives a subordinate authority to do some jobs(Hicks &Gullet, 1981). Delegation enable leaders to reflect on the talent within their team and consider potential development opportunities including specific tasks which may be delegated and how this can be done in a more learning/developmentally focused way.

To have successful succession plan, organizations must delegate. Delegation refers to the process by which a superior gives a subordinate the authority to do some assignment. Delegation is necessary for an organization because no manager will do all functions himself. According to holy bible, Jesus delegated responsibility of spreading the gospel, healing the sick and the power to drive out demons to his disciple (Luke 9:12). He also delegated the power to forgive sins. Inthe Acts of apostles, he delegated the power of baptism while in Exodus (18:17), however, the apostles continued after the dead of their master, Jesus. Jethro, the father-in-law of David advice him to delegate responsibilities after structuring, sharing the job and training the personnel. When there is delegation of responsibility, there must be authority and expected accountability. The implication of delegation on succession plan is that the subordinate can learn by doing and it exposes the training need of the subordinate, It encourage distribution of activities of an organization among organizational members, It leads to an improvement in the strength of work force through exposure to the activities of the organization and opportunity to develop commitments to the goals of the organization, Delegation maximizes the effectiveness of the employee.

2.1.3. Talent/Employee Retention

Employee retention refers to policies and practices companies use to avoid valuable employees from leaving their jobs. How to retain important employees is one of the biggest problems that plague companies in the competitive marketplace. Nowadays, companies often find that they spend substantial time, effort, and money to train an employee only to have them build up into a valuable commodity and leave the company for greener pastures. In order to maintain good successors that will guarantee a successful company, employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so they have less of a need to leave in the future (Sheridan, 1992). Employee retention is a process in which the employees are encouraged to remain with the group for the maximum period of time or until the conclusion of the project. Employee retention is useful for the organization as well as the employee (Sheridan, 1992).

According to Jr. (2003), Key factors that affect the success and survival of business are skill and experience. And without it no one can run a business. The significant objective in every organization is not only to run the business successfully but also sustain the success. Companies grow because there is a leader with experience, drive and ability. A leader needs to spot and recognize the developmental needs of his employees. There is the need for all key employees understand their career paths and the roles they are being developed to fill and spotlight resources on key employee retention.

However, Employers should realize that employees nowadays are different. They are not the ones who don't have better opportunities in hand. As soon as they feel dissatisfied with the present employer or the job, they switch over to the next job. One of the most vital and key part is to retain the employee of the organization therefore organizations should the need to have their valuable talents/workforce intact and retain them because employees are asset which will highway the organization on success (Sheridan, 1992). It is the responsibility of the employer to retain their greatest employees if their succession planning policy will yield positive fruit. If they don't, they would be left with no superior employees. A good employer should know how to attract and

keep its employees. According to Sherida (1992), retention involves five key things vis-Compensation/motivation, Environment, Growth, Relationship, and Support. In many instances, employee retention starts just as soon as an employee is hired. If a company sees an unusual amount of potential in a new hire, management could make them feel appreciated right off the bat. Interest free loans to help pay off their college bills or other debts is one way for an employer to do this. In order to keep the employee from jumping ship before the loan is paid off, the employer can do several things, including staggering payments or making the loan contingent on certain performance goals. In a way, this practice can be considered a combination of recruitment and retention tools. Similar programs could also be implemented for employees that already have tenure built up with the company (Sheridan, 1992).

Scholars have enumerated merits of employee retention to the organizations. According to Shridan(1992), Is it just to cut the turnover costs. It's not only the cost incurred by a organization that emphasizes the need of retaining employees but also the need to retain talented employees from getting poached (Sheridan, 1992). When an employee leaves, he takes with him valuable facts about the company, customers, current projects and past history as well as important business strategies and secrets with them to be exploited by the competition. This is yet another reason why the retention of employees is so crucial to some businesses.

Often much time and money has been spent on the employee in anticipation of a future return. After the employee leaves, the investment is not realized. Customers and clients do business with an organization in part because of the people. Relationships are developed that support continued sponsorship of the business. When an employee leaves, the relationships that employee built for the companies are disengaged, which could lead to probable customer loss (Sheridan, 1992). When an employee terminates, the effect is felt throughout the organization. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff (Sheridan, 1992). The goodwill of a company is maintained when the labour turnover rates are low. Higher retention rates motivate potential employees to join the organization (Sheridan, 1992).

A rather obvious way for a company to better retain their employees is by offering competitive salaries and bonuses. Everyone likes to be recognized for a job well done, and nothing makes someone feel more appreciated than cold hard cash. It also shows the employee that the company has some degree of loyalty towards them, which could in turn influence them to repay their employers with some loyalty of their own. Increased benefits, stock options, more vacation time, company cars, child care, and other perks don't hurt either. Financial support for employees who wish to continue their education would also most likely be appreciated and rewarded with employee loyalty (Sheridan, 1992). The implementation of company policies like flextime, job-sharing, and part-time work may also prove useful in retaining an employee who wishes to leave their job for personal reasons. By doing so, a company could gain a reputation as a family-friendly environment and therefore make it more attractive to future potential employees (Sheridan, 1992).

A company may also want to spend some time to get to know their employees better. A thorough understanding of an employee's goals, concerns, skill level, values, health, and job satisfaction are just a few of the areas that can be addressed. By doing so, the employee could be made to feel more like a prized individual and less like a cog in a corporate machine. At the same time the company will educate itself as to which employees are the most valuable in both a business and personal sense.

Without qualified people who are good at what they do, any company would be in serious trouble. In the long run, the retention of existing employees saves companies money. There are advertising and recruiting expenses, orientation and training of the new employee, decreased productivity until the new employee is up to speed, and loss of customers who were loyal to the departing employee. Finding, recruiting, and training the best employees represents a major investment. Once a company has captured talented people, the return-on-investment requires closing the back door to prevent them from walking out (Robert P. Steel, 2002)

When an employee leaves a company for a direct competitor, there is always a chance that they will take important business strategies and secrets with them to be exploited by the competition. This is yet another reason why the retention of employees is so crucial to some businesses. While this practice seems a bit unscrupulous, it stills happens quite frequently.

2.1.4. Employee Development

Employee development is a joint, on-going effort on the part of an employee and the organization for which he or she works to upgrade the employee's knowledge, skills, and abilities. Successful employee development requires a balance between an individual's career needs and goals and the organization's need to get work done.

Employee development programs make positive contributions to organizational performance. A more highly-skilled workforce can accomplish more and a supervisor's group can accomplish more as employees gain in experience and knowledge. Organizations offer employee development opportunities through: on the job learning, better training and counseling, formal training programmers and job orientation. All these facilities not only help in employees' development but also help in preparing the incumbents probable to fill key positions (Jr., 2003).

The companies have to decide today for tomorrow through a complex assessment system for the human development, which is most uncertain. Business environment is getting increasingly vibrant, corporate growth, rate and size is critical, and values are changing which offer superior business opportunities for head hunters (Zajac, 1987). To commence such a complex process it is necessary to understand the challenge well in advance and act with obligation. Focus should be on performance as well as potential keeping in view the convenient challenges. The organizations must differentiate between spending on personnel and investment in employees' development. It is a fact that a number of the corporate look after their senior executive very well but hardly invests in budding leaders (Zajac, 1987).

2.1.5. Internal Recruitment/Replacement

Internal recruitment refers to the process of a candidate being selected from the existing workforce to take up a new job in the same organization, perhaps as a promotion, or to provide career development opportunity, or to meet a specific or urgent

organizational need. Advantages of this approach include the organization's familiarity with the employee and their competencies, and their willingness to trust said employee. It can also be quicker and can have a lower cost to hire someone from another part of the same organization.

Internal recruitment utilizes internal promotions as a recruitment and retention tool. Internal recruitment is a succession management tool that attempt to create employee loyalty and commitment as well as long term job satisfaction and at the same time, the internal recruitment strategy is less costly than an external process, the candidates are well known to the organization and therefore orientation requirements are much less.

An internal candidate is intimately familiar with the organization and its goals, how it works, who is responsible for what, and where to go for information. The organization has already invested in the internal candidate and may be able to capitalize on that previous investment by using internal promotion to fill a role. Another benefit is that an internal candidate will require less orientation and on-boarding time.

Additionally, when internal candidates are promoted from within, the rest of the staff is signaled that similar efforts by them will potentially pay off over time. Staff will recognize the opportunity for development within the organization and may be driven to perform better in hopes of being able to be promoted themselves. Internal sourcing can be seen as a reward for positive past performance and shows others that their positive performance will pay off. When internal sourcing (or promotion) is a part of strong succession planning efforts, it can pay off beautifully when selections are made according to sound selection processes.

However it is essential to note that not all organizations would hold the view that hiring internally is better, some organizational may prefer outsider. Their argument is to inject fresh ideas and vision thereby bringing positive change into the organization .However, despite these few misgivings, evidence in Santorin's research and other researches attest that those organizations that had internal relay succession model had a high return on investment over time (Santorin, 2004).

2.2. Theoretical Framework

The theoretical model on which this work revolves is Relay Succession Planning Model. Santorin came up with the first succession model which is referred to as "Relay Succession Planning". He advocates that the current CEO of an organization should pass the baton to a successor over a long period of time. The implication for organizations practicing this model has been evaluated in Santorin' work compared with organization that does not have such plan in place. However it was recorded that those organizations that practice relay succession plans performed better because the successor were exposed to corporate challenges and were able to

deal with such challenges in the pre-succession phase. Obviously, current CEO was able to pass the baton in real time and this would give the successor the opportunity to test the rein of leadership and at the time of receive training. However, organizations that implemented relay succession model should perform better in the post-succession phase, because he has been tried and tested, which implies that experience would be speaking for him.

2.3. Empirical Review

Scholars have carried out empirical studies to establish the relationship between succession planning and organizational survival which produced positive conclusions. The studies include that done by Hall (1986); Geer et al (1989); Leggett(2007); Mitshra & El-Osta (2008); and Snyder (2009). Evidences from these studies confirm that future leadership of organizations is the most crucial aspect of its potentials and continuing success and growth. They therefore suggested that succession planning should be in place to ensure that organizations have the right potentials and attribute required to meet future needs.

In an attempt to validate that both manpower planning and succession planning are sine-qua-non to the survival of organizations, Smith et al, (1992); Jivraj & Wood, (2002);Haffer, (2005); Vosburgh, (2007); and Nayab, (2010) concluded in their different studies that both manpower planning and succession planning are very essential for any origination's survival and growth and further argued that organization that neglect either of these activities exposes itself to severe complication

Ohiorenoya & Obadan (2013) surveyed hotel industry in Benin City to determine the effect of succession planning on the survival of small business enterprises in Edo, South- South Nigeria. The study concludes that most small businesses have little or no ideas of succession plan. However, the study advised that succession plan should be taken serious for organizational growth, stability and survival.

Adewale et al (2011) did an empirical study of effect of succession planning on the survival of Nigerian private Tertiary Institutions. The sample consists of three private tertiary institutions in Ogun, south West Nigeria. The study indicates that succession planning variables significantly correlated with organizational survival.

Forelich et al (2009) did an empirical work on succession planning in nonprofit organizations. The study use a survey of executive directors of 501 charitable and 501 cooperatives. The study concludes that both organizations see succession planning as important tool of survival, yet are doing little about it. Overall the picture is a mixed one, positive in that an immediate leadership deficit is not perceived, yet contradictory since organizations studied appear ill prepared for and ever realistic about upcoming challenges they identified. It concludes that there is considerable work ahead to better prepare for executive succession in nonprofit organization.

Researches that studied the nature of relationship of succession in profit and nonprofit organizations are Hemman,(1989); Fletcher, (1992), Austine & Gilmore, (1993); Allison, (2002);Eastwood, (2006); and Caro & Sarros, (2007). These researchers conclude that management succession is likely to be more difficult in nonprofit sector than profit entities due to scarcity of experience directors in the market.

3. Research Methodology

This section includes a description of the research design, data and data source, population, sample size, data collection procedure and instrument validity and reliability. The research is a survey type which collected the opinions of respondents through questionnaire and oral face to face interview questions constructed by the researcher.

3.1. Research Design

Data for this study were collected between January and July 2014. In order to generate data of appropriate range and depth, a mixed-method approach using a questionnaire survey and in-depth interview was adopted. These methods have been described by researchers as methodological pluralism, and have been used in conducting research related to developing countries. (Ibeh and Young, 2001). Mixed method help to prevent some research challenges and provide rich data (Okpara and Wynn, 2008).

3.2. Data and Source of Data

The study used both primary and secondary data. The bulk of secondary data was obtained from Textbooks, Internet, and the researcher's library, Statistical bulletin from CBN, as well as Annual Accounts and Report of companies under study. The primary data was generated through the use of oral interviews and questionnaire designed specifically for this study. The questionnaire was carefully worded and was based on the variables and sub-variables highlighted in the literature.

3.3. The Population of the Study

The population for the study comprises of the total staff strength of five firms selected for the study (including the executives and non executive directors of the companies). The companies are Cutix, GT Bank, Vitafoam, Nigerian Breweries and UAC Plcs. These companies were selected from five different sectors in the Nigeria Stock Exchange with the intent of fair representation of Nigerian firms.

S/N	Company	Number of Staff	Percentage
1	GT Bank PLC	3741	37
2	Nigeria Breweries PLC	3208	32
3	UAC PLC	2205	22
4	Cutix PLC	178	2
5	Vitafoam PLC	682	7
	TOTAL	10,014	100

Table 3.1: Population of the study

Source: Field survey, 2014

3.4. Sample Size Determination

Sample is the part of the population diocese for the study. The researcher used Taro Yamani formula to get the sample size for the questionnaire distribution. The population is 10,014. Since the population is known and has a large number that runs into thousands, Yamani (1964) is appropriate in determining the sample size. According to Yamani (1964), the following formula was used to determine the sample size where the population is known.

$$n = \frac{N}{1 + N(e)^2}$$

Where n= sample

- N= Population
- e= Degree of tolerable errors
- I = constant

Since the level of significant is 5%, the confidence level becomes 95%

$$N = \frac{N}{1 + N(e)^2}$$

$$n = \frac{10,014}{1 + 10014(0.05)^2}$$

$$n = \frac{10014}{1 + 10014(0.0025)}$$

$$n = \frac{10014}{1 + 25.035}$$

$$N = \frac{10014}{26.035}$$

$$n = 385$$

S/N	Company	Sample Size	Percentage
1	GT Bank PLC	142	37
2	Nigeria Breweries PLC	123	32
3	UAC PLC	85	22
4	Cutix PLC	8	2
5	Vitafoam PLC	27	7
	TOTAL	385	100

Table 3.2: Sample size distribution

Source: Field Survey, 2014

3.5. Instrument for Data Collection

Primary data was generated through the use of oral interview and questionnaire design specifically for the study. The statements in the questionnaire were phrased with possible continuum based on five-likert-style scale (5= Strongly agree to 1= Strongly disagree) In addition to collection of data through the questionnaire survey, a qualitative data collection techniques involving one-on-one interview with selected respondents was conducted. This stage of research involved the selection of data sub sample of different levels of employees including Directors and all levels of management to enable us get balance view on the subject under study. These respondents formed part of the original group selected for this study. The actual number of respondents interviewed was 25 selected randomly from employees, executive and non executive directors of the five firms used for this study(see Interview Schedule in appendix).

3.6. Validity of Instrument

To ensure the validity of the research instrument, copies of questionnaire was given to research experts in the field of management for critical analysis. The experts were asked to review the items in the instrument and determine whether the items in the questionnaire would provide answers to the research questions which emanates from research objectives in order to tackle the research fret. After some minor modifications, the experts recommended the use of modified instrument for the study.

3.7. Reliability of the Instrument

The instruments for this research (questionnaire and oral interview) were subjected to a Test –R- Test method. The instrument was given to selected people for comments and the process was repeated after one week interval to determine if their initial response would conform with their later comments. All variables are reliable since their Cronbach's alpha is greater than 0.5.

3.8. Method of Data Analysis

The data were analyzed using weighted mean. The five point rating scale (Likert style)was assigned numerical values (SA=5; A=4; UD=3; D=2; SD=1)

The mean responses of the respondents were calculated using the formula:

$$X = \frac{fx}{n}$$

Where X= Mean; f = frequency; x = numerical value of data; n = total number of the respondents

$$\text{Therefore, } X = \frac{fx}{n} = \frac{5+4+3+2+1}{5} = \frac{15}{5} = 3$$

An internal scale of .05 as error term was added to 3. Therefore the mean score becomes 3.5. so,

any rating of 3.5 and above be regarded as acceptable while mean rating below 3.5 is regarded as not acceptable. The study applies Z-Test for the test of hypotheses. All test are conducted at 5% level of significance.

4. Presentation, Analysis, Interpretation of Data and Discussion of Findings

In this chapter, the researcher presents analysis and interprets the data collected for the study and discusses the findings. For the data presentation, it is presented in the table using frequencies, percentages and weighted average.

4.1. Returned Questionnaire

A total of 385 copies of questionnaire were distributed, 308 that represent 80% were received back. The 80% respondent's rate adequately represents the population of the study. 40 copies or 11% of the questionnaire were not returned while 15(4%) copies have some defects and therefore was rejected.

VARIABLE/CATEGORY	FREQUENCY	PERCENTAGE
Gender:		
Male	231	75
Female	77	25
Total	308	100
Age group:		
30 and below	123	40
31 – 40	108	35
41 and above	77	25
Total	308	100
Marital status:		
Married	237	77
Single	71	23
Total	308	100
Position/Designation:		
Director	40	13
Manager	87	28
Others	181	59
Total	308	
Education/Qualification		
National Diploma and below	99	32
Bachelor Degree/HND	152	49
Masters and above	57	19
Total	308	100

Table 4.1: Demographic characteristics of respondents:
Source: Field survey, 2014

From table 4.1 above, it shows that the gender of respondents is made up of 231(75%) male and 77(25%) female. The ages of the respondents is 123(40%) for 30 and below, 108(35%) for 31 and 77(25%) for 41 and above. The marital status of respondent is made up of 237 (77%) married and 71(23%) single. Positions or levels of respondents shows that 40(13%) are directors, 87(28%) are Managers while 181(59%) below managerial level. The academic qualifications of respondents attest that majority of workforce 68% are graduates and above.

4.2. Questionnaire Analysis

- **Research Question One:** To what extent does succession plan policies exist in Nigerian firms?

S/N	Details	SA	A	U	D	SD	TOTAL	X
1.	My firm has succession plan as an avenue for building subsequent future leaders.	175 875	105 420	10 30	12 24	6 6	308 1175	3.8
2.	Leadership training in my firm starts from the first day an employee comes in as a trainee.	200 1000	90 360	10 30	3 6	5 5	308 1401	4.5
3.	Leadership change is a long-term planning project in my organization	150 750	125 500	20 60	3 6	10 10	308 1326	4.3
4.	Succession plan assures my organization’s success and survival	130 650	150 600	5 15	10 20	13 13	308 1298	4.2
5.	Our succession plan helps my organization to remain focus towards its objectives and strategy	155 775	115 460	10 30	10 20	18 18	308 1303	4.2

Table 4.2: Mean ratings of respondents on the presence of succession planning in their organizations.
Source: Field survey, 2014

- **Research Question Two:** What is the nature of relationship between Mentoring and organizational survival?

S/N	Details	SA	A	U	D	SD	TOTAL	X
6.	One of the surest avenue of effecting succession planning is through mentorship	127 635	142 568	17 51	13 26	9 9	308 1289	4.2
7.	Effective mentoring is a positive foundation in global business competitiveness through assurance of effective leadership.	144 720	131 524	7 21	14 28	12 12	308 1305	4.2
8.	Mentoring helps in transmitting the values goals culture and vision of organization	139 695	137 548	8 24	11 22	13 13	308 1302	4.2
9.	Adequate mentorship enables the mentored to aspire							

	to the height of their mentors, and in some cases performs better than them	210 1050	67 268	21 63	5 10	5 5	308 1396	4.5
10.	Mentorship increases the ability, skills and talent of the one being mentored	187 935	98 392	8 24	8 16	7 7	308 1374	4.5

Table 4.3: Mean ratings of respondents on the nature of relationship between mentoring and organizational survival

Source: Field survey, 2014

- **Research Question Three:** To what extent does delegation of authority affects survival of Nigerian firms?

S/N	Details	SA	A	U	D	SD	TOTAL	X
11.	A significant part of talent development is to delegate	151 755	119 476	28 84	5 10	5 5	308 1330	4.3
12.	Delegation enables leaders to reflect on the talent within the organization for better performance and continuous survival.	143 715	142 568	15 45	4 8	4 4	308 1340	4.4
13.	My organization considers delegation as unavoidable necessity for survival	102 510	157 628	21 63	18 36	10 10	308 1247	4
14.	Delegation exposes the activities of the organization and makes the employee to develop commitment to the organization's goal	147 735	121 484	11 33	19 38	10 10	308 1300	4.2
15.	Delegation maximizes the effectiveness of employee for continuous existence of firms	133 665	162 648	5 15	6 12	2 2	308 1342	4.4

Table 4.4: Mean ratings of respondents on the effect of delegation on organizational survival.

Source: Field survey, 2014

- **Research Question Four:** What is the effect of Employee/Talent retention on the survival of Nigerian firms?

S/N	Details	SA	A	U	D	SD	TOTAL	X
16.	Employees retention help organization to avoid losing valuable and experience employees	127 635	147 588	10 30	10 20	14 14	308 1287	4.2
17.	Employee retention plan starts from the day the employee is hired and stretches to his disengagement	167 835	77 308	20 60	20 40	24 24	308 1267	4.1
18.	Key factor affecting organization's success is retention of skill and experience workforce	139 695	137 548	8 24	11 22	13 13	308 1302	4.2
19.	Succession plan entails that organization must have employee's retention incentives.	210 1050	67 268	21 63	5 10	5 5	308 1396	4.5
20.	A good employer that belief in the survival of his organization know how to retain and keeps his employees.	187 935	98 392	8 24	8 16	7 7	308 1374	4.5

Table 4.5: Mean ratings of respondents on Employee's retention and organizational survival.

Source: Field survey, 2014

- **Research Question Five:** What is the nature of impact between Employee development and survival of Nigerian firms?

S/N	Details	SA	A	U	D	SD	TOTAL	X
21.	Organizations that refuse to develop their workforce will surely find it difficult to survive.	119 595	131 524	25 75	10 20	23 23	308 1237	4
22.	Employee's development programmes makes significant positive contributions to organization's performance and survival.	107 535	123 492	15 45	27 54	36 36	308 1305	3.8
23.	Key factor affecting organization's success is retention of skill and experience workforce	135 675	132 528	11 33	13 26	17 11	308 1273	4.1
24.	Employee development programmes help in preparing the incumbent to fill the key position for continuity.	156 780	121 484	21 63	5 10	5 5	308 1342	4.4
25.	Employee development is knowing the future training need and plan for it ahead of time .	147 735	138 552	8 24	8 16	7 7	308 1334	4.3

Table 4.6: Mean ratings of respondents on Employee's development and organizational survival.

Source: Field survey, 2014

- **Research Question Six:** How do you appraise the contribution of internal recruitment to survival of Nigerian firms?

S/N	Details	SA	A	U	D	SD	TOTAL	X
26.	Internal recruitment is an important tool of effective succession planning.	101 505	169 676	5 15	13 26	20 20	308 1222	4
27.	Internal recruitment is a management succession tool that create employee loyalty and commitment	141 705	131 524	7 21	14 28	15 15	308 1293	4.2
28.	Internal recruitment enables organizations to be familiar with employee’s competencies.	139 695	137 548	8 24	11 22	13 13	308 1302	4.2
29.	Internal recruitment require less orientation because the recruits are familiar with the organization and its environment.	132 660	133 532	21 63	17 34	5 5	308 1294	4.2
30.	Internal recruitment is a good motivator to all workers in the organization.	189 945	95 380	9 27	8 16	7 7	308 1375	4.5

Table 4.7: Mean ratings of respondents on Internal recruitment and organizational survival.

Source: Field survey, 2014

4.3. Test of Hypotheses:

This study applied Zscore for the purpose of testing the hypotheses postulated earlier in this study. Zscore is the standard normal distribution with mean 0 and Variance 1. The choice of applying Zscore was influenced by large population of this study. The Zscore Critical value at 5% level of significant for one tail is -1.645 or 1.645. (See Z-Table). The Sample mean(μ), Weighted mean (X), Standard deviation(SD), $Z_{critical}$, and Z_{cal} for the six hypotheses is shown in table 4.8 below.

	Hypothesis 1	Hypothesis 2	Hypothesis 3	Hypothesis 4	Hypothesis 5	Hypothesis 6
μ	4.3396	4.3285	4.2591	4.3026	4.1260	4.2247
SD	0.9214	0.9268	0.8603	0.9997	1.0713	0.9758
X	3.5	3.5	3.5	3.5	3.5	3.5
Z_{cal}	-0.9112	-0.8959	-0.8824	-0.8028	-0.5843	0.7427
$Z_{critical}$	-1.645	-1.645	-1.645	-1.645	-1.645	-1.645

Table 4.8

Decision Rule: Reject Null hypothesis if the calculated value is greater than the critical value otherwise accept the Null hypothesis.

In all, the $Z_{critical}$ is less than $Z_{calculate}$, therefore the study accept all alternate hypotheses and reject all null hypotheses (See appendix 1-6 for details)

4.4. Discussion of Findings

The question for objective1 was designed to determine whether effective succession plan policies exist in Nigerian firms. The average mean rating of respondents to research question 1 was 4.2 from maximum rating of 5. This confirms that majority of respondents agreed that effective succession plan policies exist in organization studied. To confirm the above, a Z test was conducted at 5% level of significance using values in table 4.2. The Z_{cal} of -0.9112 is greater than $Z_{critical}$ of -1.645 hence the Null hypothesis was rejected and alternate hypothesis accepted. The conclusion therefore is that there is existence of effective succession planning policies in Nigeria firms.

The question for objective 2 was designed to determine the nature of relationship between Mentoring and organizational survival? The average mean rating of respondents to research question 2 was 4.3 from maximum rating score of 5. The average rating score of respondents in table 4.3 confirm that mentoring has significant positive effect on the survival of Nigeria firms. To confirm the above, a Z test was conducted at 5% level of significance using values in table 4.3. The Z_{cal} of -0.8939 is greater than $Z_{critical}$ of -1.645 hence the Null hypothesis was rejected and alternate hypothesis was accepted. The conclusion therefore is that mentoring has a significant positive relationship on the survival of Nigeria firms.

The question for objective 3 was designed to determine the extent to which delegation of authority significantly affect survival of Nigeria firms. The average mean rating of respondents to research question3 was 4.3 from maximum rating score of 5. The average rating score of respondents in table 4.3 confirm that delegation has significant positive effect on the survival of Nigeria firms. To confirm the above, a Z test was conducted at 5% level of significance using values in table 4.4. The Z_{cal} of -0.8824 is greater than $Z_{critical}$ of -1.645 hence the Null hypothesis was rejected and alternate hypothesis accepted. The conclusion therefore is that delegation has significant effect on survival of Nigeria firms.

The question for objective 4 was designed to determine the relationship between Employee’s retention and survival of Nigeria firms. The average mean rating of respondents to research question3 was 4.3 from maximum rating score of 5. The average rating score of respondents in table 4.5 confirm that employees retention has significant positive effect on the survival of Nigeria firms. To confirm the above, a Z test was conducted at 5% level of significance using

the average values in table 4.5. The Z_{cal} of -0.8028 is greater than $Z_{critical}$ of -1.645 hence the Null hypothesis was rejected and alternate hypothesis was accepted. The conclusion therefore was that significant positive relationship exists between Employees retention and survival of Nigeria firms

The question for objective 5 was designed to determine the effect of employee development on the survival of Nigeria firms. The average mean rating of respondents to research question 5 was 4.1 from maximum rating score of 5. The average rating score of respondents in table 4.6 confirm that employees development has significant positive effect on the survival of Nigeria firms. To confirm the above, a Z test was conducted at 5% level of significance using the values in table 4.6. The Z_{cal} of -0.5843 is greater than $Z_{critical}$ of -1.645 hence the Null hypothesis was rejected and alternate hypothesis was accepted. The conclusion therefore was that employee development has a significant positive effect on survival of Nigeria firms.

The question for objective 6 was designed to determine the relationship between Internal recruitment and survival of Nigeria firms. The average mean rating of respondents to research question 6 was 4.2 from maximum rating score of 5. The average rating score of respondents in table 4.7 confirm that there is significant positive relationship between Internal recruitment and survival of Nigeria firms. To confirm the above, a Z- test was conducted at 5% level of significance using the values in table 4.7. The Z_{cal} of -0.7427 is greater than $Z_{critical}$ of -1.645 hence the Null hypothesis was rejected and alternate hypothesis was accepted. The conclusion therefore was that significant positive relationship exists between Internal recruitment and survival of Nigeria firms

In addition to data collected through the questionnaire survey, a qualitative data collection techniques involving one-on-one interview with selected respondents was conducted. This stage of research involved the selection of data sub sample of different levels of employees including Directors and all Senior management to enable us get balance view on the subject under study. These respondents formed part of the original group selected for this study. The actual number of respondents interviewed were 15 selected randomly from employees, executive and non executive directors of the five firms used for this study.

Overall, there were similarities between the responses to the interview questions and the survey questionnaires. Conclusion of this section captures the essence of the entire work. Succession planning has significant positive effect on the survival of Nigeria firms

5. Summary of Findings, Conclusion and Recommendation

5.1. Summary OF Findings

The following findings were made from the study.

- There is presence of succession plan policies in Nigerian firms.
- There is significant positive relationship between Mentoring and survival of Nigerian Firms.
- Delegation of authority has significant relationship on the survival of Nigerian firms
- There is significant positive relationship between employees /talent retention and Survival of Nigerian firms
- Employees development has significant positive impact on survival of Nigerian firms
- There is significant positive relationship between internal recruitment and survival of Nigerian firms.

These findings are in line with findings of research conducted by Adewale (2011).

5.2. Conclusion

The basic and fundamental goal of every organization is growth and survival. However, the surest means of maintaining growth and survival of organization is through effective succession planning. Studies have shown that firms that fails to strategically put in place a well articulated effective succession planning policy will definitely encounter the problem of continuous existence and survival that may likely lead to liquidation. This study investigated the effect of succession plan on organizational survival. The study identified mentoring, delegation, employee retention, employee's development and internal recruitment as proxies/factors of effective succession planning and further confirms significant positive relationships between these proxies and organizational survival. In view of this, the study concludes that succession planning is the fulcrum on which survival of organizations revolves.

5.3. Recommendations

In light of above findings, some pertinent recommendations can be made. These recommendations are geared towards assurance of organizational growth and survival through effective succession planning. This study recommends the following:

- Nigeria firms should give more serious attention to succession planning policies.
- That mentoring though an old-long business survival strategy should be seen as very relevant succession planning tool.
- Adequate and effective communication between and among the parties involved in mentoring can go a long way in reducing the incidence of lack of trust and dishonest tendencies in the parties involved.
- Delegation is very essential in maintain the day to day running of an organization hence leaders should delegate adequate responsibility to their subordinate of the organization.
- Organizations should map out training programmes (both on the job and off the job) so that subordinate should have knowledge and skill required for expected all positions.
- Organization should Endeavour to recruit internally for affectivity.
- Organizations should Endeavour to retain their staff and reduce the incidence of labour touover,

Appendix 1 (Test of Hypothesis 1)

- Ho₁: There is no presence of effective succession plan policies in Nigerian firms.
- H_{a1}: There is no presence of effective succession plan policies in Nigerian firms.

Questions Nos	SA	A	UD	D	SD	Total
1	175	105	10	12	6	308
2	200	90	10	3	5	308
3	150	125	20	3	10	308
4	130	150	5	10	13	308
5	155	155	10	10	18	308
Total	810	585	55	38	52	1540

Response	Score (X)	Frequency (F)	FX	X-μ	(X-μ) ²	F(X-μ) ²
SA	5	810	4050	0.6604	0.4361	353.241
A	4	585	2340	-0.3396	0.1153	67.4505
UD	3	55	165	-1.3396	1.7945	98.6975
D	2	38	76	-2.3396	5.4737	208.0006
SD	1	52	52	-3.3396	11.1529	579.9508
Total	15	1540	6683			1307.3404

$X = 15/3 + 0.5 = 3.5$

$\mu = \frac{6683}{1540} = 4.3396$

$SD = \sqrt{\frac{1307.4304}{1540}} = \sqrt{0.8490} = 0.9214$

$Z_{critical} = \frac{X - \mu}{SD} = \frac{3.5 - 4.3396}{0.9214} = \frac{-0.8396}{0.9214} = -0.9112$

Therefore, $-0.9112 > -1.645$

Since the critical value is less than the calculated value, we reject the Null hypothesis which said that material storage have no significant impact on profitability of brewing firms and accept the alternate which said that materials storage has a significant impact on the profitability of brewing firms.

Appendix 2 (Test of Hypothesis 2)

- Ho₂: There is no significant positive relationship between Mentoring and survival of Nigerian Firms.
- H_{a2}: There is significant positive relationship between Mentoring and survival of Nigerian Firms.

Questions Nos	SA	A	UD	D	SD	Total
6	127	142	17	13	9	308
7	144	131	7	14	12	308
8	139	137	8	11	13	308
9	210	67	21	5	5	308
10	187	98	8	8	7	308
Total	807	575	61	51	46	1540

Response	Score (X)	Frequency (F)	FX	X-μ	(X-μ) ²	F(X-μ) ²
SA	5	807	4035	0.6715	0.4509	363.8862
A	4	575	2300	-0.3285	0.1079	62.0495
UD	3	61	183	-1.3285	1.7649	107.6596
D	2	51	102	-2.3285	5.4219	276.5175
SD	1	46	46	-3.3385	11.1456	512.6978
Total	15	1540	6666			1322.8106

$$X = 15/3 + 0.5 = 3.5$$

$$\mu = \frac{6666}{1540} = 4.3285$$

$$SD = \sqrt{\frac{1322.8106}{1540}} = \sqrt{0.8590} = 0.9268$$

$$Z_{\text{critical}} = \frac{X - \mu}{SD} = \frac{3.5 - 4.3285}{0.9268} = \frac{-0.8285}{0.9268} = -0.8939$$

Therefore, $-0.8939 > -1.645$

Since the critical value is less than the calculated value, we reject the Null hypothesis which said that material storage have no significant impact on profitability of brewing firms and accept the alternate which said that materials storage has a significant impact on the profitability of brewing firms.

Appendix 3 (Test of Hypothesis 3)

- H_{03} : Delegation of authority has no significant relationship on the survival of Nigerian firms
- H_{a3} : Delegation of authority has significant relationship on the survival of Nigerian firms

Questions Nos	SA	A	UD	D	SD	Total
11	151	119	28	5	5	308
12	143	142	15	4	4	308
13	102	157	21	18	10	308
14	147	121	11	19	10	308
15	133	162	5	6	2	308
Total	676	701	80	52	31	1540

Response	Score (X)	Frequency (F)	FX	X-μ	(X-μ) ²	F(X-μ) ²
SA	5	676	3380	0.7409	0.5489	371.0786
A	4	701	2804	-0.2591	0.0671	47.0601
UD	3	80	240	-1.2591	1.5853	126.8266
D	2	52	104	-2.2591	5.1035	265.5382
SD	1	31	31	-3.3385	10.6217	329.2737
Total	15	1540	6559			1139.7772

$$X = 15/3 + 0.5 = 3.5$$

$$\mu = \frac{6559}{1540} = 4.2591$$

$$SD = \sqrt{\frac{1139}{1540}} = \sqrt{0.7401} = 0.8603$$

$$Z_{\text{critical}} = \frac{X - \mu}{SD} = \frac{3.5 - 4.2591}{0.8603} = \frac{-0.7591}{0.8603} = -0.8824$$

Therefore, $-0.8824 > -1.645$

Since the critical value is less than the calculated value, we reject the Null hypothesis which said that material storage have no significant impact on profitability of brewing firms and accept the alternate which said that materials storage has a significant impact on the profitability of brewing firms

Appendix 4 (Test of Hypothesis 4)

- Ho₄: There is no significant positive relationship between employees /talent retention and Survival of Nigerian firms:
- Ha₄: There is significant positive relationship between employees /talent retention and Survival of Nigerian firms

Questions Nos	SA	A	UD	D	SD	Total
16	127	147	10	10	14	308
17	167	77	20	20	24	308
18	139	137	8	11	13	308
19	210	67	21	5	5	308
20	187	98	8	8	7	308
Total	830	526	67	54	63	1540

Response	Score (X)	Frequency (F)	FX	X-μ	(X-μ) ²	F(X-μ) ²
SA	5	830	4150	0.6974	0.4864	403.6844
A	4	526	2104	-0.3026	0.0916	48.1641
UD	3	67	201	-1.3026	1.6968	113.6834
D	2	54	108	-2.3026	5.3020	286.3062
SD	1	63	63	-3.3026	10.9072	687.1515
Total	15	1540	6626			1538.9896

$X = 15/3 + 0.5 = 3.5$

$\mu = \frac{6626}{1540} = 4.3026$

$SD = \sqrt{\frac{1538.9896}{1540}} = \sqrt{0.9993} = 0.9997$

$Z_{critical} = \frac{X - \mu}{SD} = \frac{3.5 - 4.3026}{0.9997} = \frac{-0.8026}{0.9997} = -0.8028$

Therefore, $-0.8028 > -1.645$

Since the critical value is less than the calculated value, we reject the Null hypothesis which said that material storage have no significant impact on profitability of brewing firms and accept the alternate which said that materials storage has a significant impact on the profitability of brewing firms.

Appendix 5 (Test of Hypothesis 5)

- Ho₅: Employees development has no significant positive impact on survival of Nigerian firms
- Ha₅: Employees development has significant positive impact on survival of Nigerian firms

Questions Nos	SA	A	UD	D	SD	Total
11	119	131	25	10	23	308
12	107	123	15	27	36	308
13	135	132	11	13	17	308
14	156	121	21	5	5	308
15	147	138	8	8	7	308
Total	664	645	80	63	88	1540

Response	Score (X)	Frequency (F)	FX	X-μ	(X-μ) ²	F(X-μ) ²
SA	5	664	3320	0.874	0.7639	507.2137
A	4	645	2580	-0.126	0.0159	10.24
UD	3	80	240	-1.126	1.2679	101.4301
D	2	63	126	-2.126	4.5199	284.7522
SD	1	88	88	-3.126	9.7719	859.9251
Total	15	1540	6354			1763.5612

$$X = 15/3 + 0.5 = 3.5$$

$$\mu = \frac{6354}{1540} = 4.1260$$

$$SD = \sqrt{\frac{1763.5612}{1540}} = \sqrt{1.1452} = 1.0713$$

$$Z_{\text{critical}} = \frac{X - \mu}{SD} = \frac{3.5 - 4.1260}{1.0713} = \frac{-0.626}{1.0713} = -0.5843$$

Therefore, $-0.5843 > -1.645$

Since the critical value is less than the calculated value, we reject the Null hypothesis which said that material storage have no significant impact on profitability of brewing firms and accept the alternate which said that materials storage has a significant impact on the profitability of brewing firms

Appendix 6 (Test of Hypothesis 6)

- H_{06} : There is no significant positive relationship between internal recruitment and survival of Nigerian firms.
- H_{a6} : There is significant positive relationship between internal recruitment and survival of Nigerian firms.

Questions Nos	SA	A	UD	D	SD	Total
11	101	169	5	13	20	308
12	141	131	7	14	15	308
13	139	137	8	11	13	308
14	132	133	21	17	5	308
15	189	95	9	8	7	308
Total	702	665	50	63	60	1540

Response	Score (X)	Frequency (F)	FX	X- μ	(X- μ) ²	F(X- μ) ²
SA	5	702	3510	0.7753	0.6011	421.9652
A	4	665	2660	-0.2247	0.0505	33.5759
UD	3	50	150	-1.2247	1.4999	74.9945
D	2	63	126	-2.2247	4.9493	311.8053
SD	1	60	60	-3.2247	10.3987	623.9214
Total	15	1540	6506			1466.2623

$$X = 15/3 + 0.5 = 3.5$$

$$\mu = \frac{6506}{1540} = 4.2247$$

$$SD = \sqrt{\frac{1466.2623}{1540}} = \sqrt{0.9521} = 0.9758$$

$$Z_{\text{critical}} = \frac{X - \mu}{SD} = \frac{3.5 - 4.2247}{0.9758} = \frac{-0.7247}{0.9758} = -0.7427$$

Therefore, $-0.7427 > -1.645$

Since the critical value is less than the calculated value, we reject the Null hypothesis which said that material storage have no significant impact on profitability of brewing firms and accept the alternate which said that materials storage has a significant impact on the profitability of brewing firms

Appendix 7 (Interview Schedule and Interview Responses)

- Good day sir, could you tell us your name?
- Thank you sir, we understand you are the Executive Director, CEO or Non executive Director or one of the Department Heads in your company?
- How long has your firm been in operation?
- Were you an employee of the company before you rose to your present position?
- Was your predecessor an employee of the firm before he/she reached high responsibility position?
- Does your firm have the culture of rising through the rank to the topmost position?
- Do you have the policy of management trainees in your company?
- Can you say that effective succession planning has significant positive/negative effect on the sustainability and survival of your company?
- What factors are responsible for effective succession planning in your company?
- How can you describe the impact of succession planning on the survival of your company?

Interview questions 1 and 2 were asked to identify the respondents and ascertain their positions in the company. The interview data revealed that all respondents were mostly Directors and few senior Managers. On how long the companies have been in operation, all respondents confirmed that their firm has been in operation for more than twenty years. On whether respondents were employees of the company before rising to their present positions, all respondents answered in affirmative. On whether the predecessors of respondents were employees of the company before he/she reached high responsibility position, all respondents answered in affirmative. On whether respondent's companies have the culture of rising through the rank to the topmost position, 85% of respondents confirmed that their companies do have the culture. Majority of respondents (92%) agreed that Management trainee is a very strategic succession planning policy in their companies. All respondents agreed that effective succession planning has a significant positive effect on the sustainability and survival of their firms. On the factors that contribute to effective succession planning, majority of the respondents mentioned all the factors of succession planning adopted in this study while 20% of respondents skipped two factors (Employee Development and Internal recruitment). On the position of respondents with regards to the impact of succession planning on the survival of their firms, all respondents agreed that succession planning is indispensable to survival of their firms.

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