Enhancing Family Business Succession through Intra-Firm Network: A Survey of Family Businesses in South Eastern Nigeria

Kenneth Chukwujioke Agbim

Business Administration Department, University of Agriculture, Makurdi

E-mail: kennethagbim2012@gmail.com

ABSTRACT

South Eastern Nigeria was between the year 1970 and 2017 characterized by turbulent and competitive business environment and economic boom and recession. Moreover, despite the decades of operation of family businesses in the zone, these businesses are still bedeviled by poor attitude to ownership/management succession planning and unsuccessful succession experiences. In spite of these incidences and government's entrepreneurship incentives targeted at enhancing the performance of enterprises, this period witnessed the establishment, failure and closure of many family businesses in the zone. Owing to the enhancing effect of intra-firm network on business performance and the commonplaceness of the later in the study area, this study examines the effect of intra-firm network on family business succession. Survey design, proportionate stratified random sampling and simple random sampling techniques were employed to generate the study data. It was found from the data analysis that intra-firm network significantly and positively affects family business succession. To achieve successful succession, founder/CEOs need to be actively involved in the intra-firm network within the firm. This network relationship is important because it enhances a cordial working relationship between the family and the business. This network facilitates successful succession by ensuring that the sources of pre- and post- succession conflicts are well managed. Furthermore, the network supports the emergence of a successor based on knowledge, competence and experience rather than primogeniture and gender.

Keywords: Succession, Succession law, Family business, Family business succession, Intra-firm network, South Eastern Nigeria

INTRODUCTION

The term "family" refers to a group of people related to each other by blood or marriage (Belenzon et al., 2015). Agbim (2018) asserts that a family is composed of a group of people usually living together in a society. When it is comprised of husband, wife and children or husband, wives and children (in the case of polygamous family) it is called a nuclear family. The extended family is made up of husband, wife or wives and children, as well as all those who are related to them by blood and marriage. These include grandparents, uncles, aunties, nephews, nieces, step brothers and sisters. Ayranci (2010) opine that families establish family business to: create opportunities for their children; perpetuate family inheritance; hold the family together; and give the families financial independence and inheritance. The transfer of family business from the founder/CEO to descendant/CEO depicts a high possibility of continuity across generations (Segaro, 2012). The continuity of a family business is associated with the network relationships among its stakeholders (Venter et al., 2012; Martinez et al., 2013).

Families are highly valued in Nigeria. This explains why only men who have families are regarded as responsible. In Nigeria, these families are patrilineal. In patrilineal families, inheritance and authority pass through the most senior male to other members of the family. The males are seen as continuity of both family name and lineage. Also, the men are supposed to be dominant with women being subject to them. Families in Nigeria are guided by the strict system of seniority and hierarchy importance. Relationships within the family are rigidly established according to a hierarchy based on rules defining roles and functions. The criteria are age, sex, kinship ties, degree of alliance and marital status (e.g., marriage rank of wives). South Eastern Nigeria is also referred to as Igboland. Family business as noted by Anagbogu (2008) is one aspect of the occupations for which the people of South Eastern Nigeria are famous throughout the country and beyond. Their greatest propensity for entrance into family entrepreneurship and exceptional performance has been traced to their renowned zeal, tenacity and positive attitude in business (Onuoha, 2013; Ottih, 2014). The “care syndrome” existing among family members contributes to successful family business succession.

Family business succession is the intra-or inter-generational transfer of family business ownership and/or management from the predecessor to the successor. Family business ownership succession is the transfer of family business ownership to a family member or to a third party. Family business leadership or management succession is the transfer of management position and responsibilities to a new family or non-family manager. The relationship a business CEO maintains with every person within the focal firm is known as intra-firm network. Calzada et al. (2015:129) assert that “succession becomes more complex as a company grows and more generations are involved. Since the interests and aspirations of family members do not always align, succession should be planned to ensure business continuity".

South Eastern Nigeria was between the year 1970 and 2017 characterized by turbulent and competitive business environment that was occasioned by the post Nigerian-Biafran civil war events. Subsequently, the period witnessed economic boom caused by crude oil boom, economic recession caused by the corrupt practices involving all those at the highest echelon of the country's leadership and the global economic crisis that was first triggered globally by the failure of series of insurance companies and banks and in Nigeria by the corrupt practices involving top bank executives, and the release of several entrepreneurship incentives to enhance the performance of enterprises. In spite of these incidences and incentives, this period witnessed the establishment, failure and closure of many family businesses in the zone. Moreover, despite the decades of operation of family businesses in South Eastern Nigeria, these businesses are still bedeviled by poor attitude to ownership/management succession planning and unsuccessful succession experiences. For instance, the post Nigerian-Biafran war businesses that were established by Chiefs R. O. Nkwocha, D. O. Nkwonta, John Anyaehie, Ferdinand Anaghara, Nnana Kalu, Louis Odumegwu Ojukwu, Onwuka Kalu, and G. E. Chikeluba have all crumbled. These antecedent events make South Eastern Nigeria the best study area for this research. This study therefore examines the effect of intra-firm network on family business succession in South Eastern Nigeria.

This study is significant as the results will expose family business founder/CEOs to the need to maintain a good intra-network relationship with members of their family and employees who are not family members. Again, the society stands to benefit from the new descendant/CEOs and the successfully transferred family businesses. The benefits could come in the form of job opportunities, corporate social responsibilities and infrastructural development.

LITERATURE REVIEW

Family Business

Family business is an emerging aspect of entrepreneurship (Ramona et al., 2008) that is made up of the family (nuclear and extended) and business systems (Gersick et al., 2007). The family system is internally oriented. Thus, it focuses more on family and social agenda. This includes maintaining balance within the family by minimizing or repressing family conflict (Westhead et al., 2011). The business system focuses more on business agenda such as tasks achievement (Warnar, 2012). Most family businesses are created with trans-generational intentions, while a few others develop this intention in the later stages of the business development (Chrisman et al., 2012). These businesses range from small to large corporations. However, most of them are Small and Medium Enterprises (SMEs).

Family business can be established either through solo or family efforts. When a family business is established through solo, single or lone effort, it is called a single owner family business. Family businesses established through the joint efforts of two or more members of a family are referred to as a family owner business. The family of the single owner holds significant stakes in the family firm. In family owner businesses, the two or more family-related individuals hold significant stakes in the same firm (Miller et al., 2011). Family owners develop a more familiar orientation among themselves because they live and work together. Consequently, they are acquainted with the family needs, and maintain the family control and management of the business through reluctance to invest and/or access external finance (Le Breton-Miller & Miller, 2009). Single owners develop weaker ties with many stakeholders and employ more growth strategies than family owners (Miller et al., 2011).

Zahra et al. (2012) define family business as those businesses that report some identifiable share of ownership by at least one family member and having multiple generations in leadership positions within that firm. Combining several variables, Poza (2014) define family business as a unique synthesis of: firstly, ownership control by two or more family members; secondly, managerial influence through active participation, advisory role, board membership or active shareholding; thirdly, concerns for family relationships; and finally, the possibility of continuity across generations. Agbim (2018: 5) view family business as "a small, medium-sized, large or multinational enterprise established or bought over through a solo or family (two or more individuals related by blood or marriage) entrepreneurial efforts and operated based on a high level of trust, commitment, familiness, involvement and control by the owning family and a somewhat fused ownership, management and/or governance systems with the founder, descendant or external CEO directing the achievement of the developmental and trans-generational visions of the family business".

Intra-Firm Network

The network approach to the study of entrepreneurship which was introduced by Aldrich and Zimmer in 1986 emphasize that although entrepreneurs may possess some ideas and skills, they further need resources from their external environment to enable them start-up and continue to pursue the development of their businesses (Abou-Moghli & Al Muala, 2012). Network is a set of actors that are connected by a set of ties. These ties (i.e., vertices) can be directed (potentially one-directional i.e., giving advice to someone), undirected (physically proximate), dichotomous (present or absent i.e., whether two persons are friends or not) or valued (measured on a scale i.e., strength of friendship) (Borgatti & Foster, 2003). The actors, often called "nodes" can be roles, individual person, teams, organizations, industries or even nation states. Their ties may be based on conversation, affection, friendship, kinship, authority, economic exchange or information exchange (Borgatti & Foster, 2003; Sirec & Bradac, 2009). Networks can be formal or informal. Formal networks are intentionally formed groups of companies, generally operating in close proximity to each other. Informal networks consist of unintentional collection of organizations and individuals who have an interest in or links with the firm and/or its owner.

Network tie can be weak or strong. Weak ties are long-term relationships that are focused on goal fulfillment for both parties. Weak ties exist among individuals with infrequent and non-affective contacts. They serve as channel for opportunity discovery to access a wide variety of resources. Weak ties include relationships an entrepreneur has with suppliers, customers, new business friends, government agencies and chambers of commerce. On the other hand, strong ties include relationships an entrepreneur has with family members, close relatives and good friends. They are based on frequent contacts and emotional closeness. Strong ties are relationships that an entrepreneur can "count on". Strong ties enhance exchange and long-term relationships and promotes the development of trust and the transfer of information and tacit knowledge (Granovetter, 1973, 1983).

IJRP.ORG
International Journal of Research Publications
ISSN: 2708-3578 (Online)

Network can be made more effective by blending strong and weak ties. However, weak ties bridge diverse networks better than strong ties (Burt, 1992, 2000). Weak ties make available information that may not be readily provided by strong ties and this is regarded as the "strength of weak ties". Strong and weak ties complement each other in different roles, for different purpose or in different populations. For instance, weak ties are used for recruitment, while strong ties promote mutual trust (Granovetter, 1973). Thus, weak and strong ties contribute to business development. Additionally, to pursue business development effectively and efficiently using networks, the strength of the tie between an entrepreneur and a network participant can be positioned along a continuum from "weak" to "strong" (O'Donnell, 2004; Kozan & Akdeniz, 2014).

Family business networks became common with the early stages of industrialization. Based on its enhancing ability on the power of individual families, it has remained common to the present day. Intra-firm network for instance has become a vital driver of business development both at the individual as well as the organizational levels. Existing literature indicates that networks within organizational units can enhance performance. These organizational units which consist of individuals with similar expertise and background are embedded in an organizational context (Ouweland, 2017). Intra-firm network is the relationship a business CEO has with others within the focal organization. Such a network includes employees from diverse units as well as diverse levels within the same organization (Collins & Clark, 2003; Cao et al., 2006).

A high level of embeddedness in the intra-firm network can maximize the CEOs ability to gather information from various parts and levels of the organization. The CEO through the intra-firm network in the firm can make effective evaluation and judgment on where the competencies lie in the organization, and where incremental improvement can be made (Collins & Clark, 2003; Liu & Zhang, 2014). When the CEO is ill-informed of the firm's resource allocation and productivity distribution, the CEO will be incapable of occupying the leadership position in the firm (Liu & Zhang, 2014). This creates the need for succession. However, successful succession is better achieved when the retiring CEO has adequate knowledge of resource distribution and the competencies of the employees. This is important because it facilitates the selection of a successor. Corroborating this view, Memili states that "intra-family succession is critical for family firms' longevity" (Memili, 2015:423). Family business intra-firm network therefore is the relationship or connection among all the family and non-family members who are working in the organizational units of the same family firm. Before the advent of the internet and social media, actors in a network interact on a face-to-face basis. Today, the internet and social networking platforms like Facebook have revolutionalized the activities of actors in a network.

Family business succession

Succession refers to the actions and events that lead to the transition of leadership from one family member to another (Sharma et al., 2003). This definition reveals that succession is both a process and an event. However, some authors are of the view that succession is a process, not an event. Mugo et al. (2015) define succession as the process through which the leadership of the business is transferred from the outgoing generation to the successor generation, which can either be a family member or a non-family member, Similarly, succession is the process of transferring managerial control from one leader or one generation of leaders to the next (Ukaegbu, 2003).

Combining the different stages in succession, succession can be define as the process of transferring management control from one generation of leaders to the next generation including the dynamics before, during and after the actual transition (Zacharakis, 2000, as cited in Ukaegbu, 2003). Also, succession is the process of ensuring that the management and ownership is transferred to competent family members (Mazzola et al., 2008; Bjornberg & Nicholson, 2012; Lungeanu & Ward, 2012).

The owner who transfers the business is referred to as the "predecessor", while the person to whom the business is transferred is the "successor" (Beek, 2004). In family business, male successors are perceived to be more supportive, tougher and more competitive than female successors. In relation to female successors, male successors have larger networks, get more supports from the family networks and perform better (Amran & Ahmad, 2010). Female successors are more nurturing, more supportive in the work environment and focus more on achieving the objectives of the business than on financial performance (Butner & Moore, 1997, as cited in Nwadukwe, 2012). These characteristics are influencing daughters and wives to rise in leadership positions in family businesses and to competitively participate in businesses initially/traditionally dominated by males (Nelton, 1998). Similarly, these characteristics are also responsible for the harmonious nature of the relationship between father and daughter. Daughters are less likely than sons to be in conflict with their fathers (Duman, 1992) over the transfer of the ownership or management of the family business.

Typology of family business succession

The two types of succession in family business are management (or leadership) and ownership. Management succession is the transfer of management position and responsibilities from the current general manager (the predecessor) to the business new general manager (the successor) (Warnar, 2012). Management succession has also been defined as a process that involve the planning, selection and preparation of the next generation of managers, transition in management responsibilities, gradual decrease in the role of previous managers and final discontinuation of any input by previous managers (Erven, 2007). Similarly, management succession is the process of transferring managerial control from one leader or one generation of leaders to the next (Shepherd & Zacharakis, 2000).

Ownership succession is the transfer of ownership of the business from the current owner to a new owner. The owner can transfer the business to: (1) a family member – his son for the purpose of continuity through the next generation; (2) the owner can also transfer the ownership of the business to a third party. This third party can be another company that will continue the business operation under a different name. The transfer to third party could be due to the founder family’s need for financial resources or incompetency on the part of management (Meijaard, 2005; Warnar, 2012).

The transfer of both management and ownership to a third party is called acquisition. This transfer can be done either through Management-By-Out (MBO) or Management-By-In (MBI). In MBO, the current management of the business acquires either the whole business or a part of it and continues operation under a different name. In MBI, the management that has bought the business does not work in the enterprise. Rather, a part of the business ownership is transferred with the management. When the focus of the transfer is not on finding new management but new investments, the transfer is known as Investors-By-In (IBI). Another method of transfer is the merging of two businesses which are often comparable in size. In a merger, the new management is a balanced combination of the management of two separate businesses. If the management is not balanced and one of the parties has more influence in the new combined management team, the joining of the companies cannot be called merger but take-over (Meijaard, 2005; Warnar, 2012). However, it is important to note that the transfer of either ownership or management is done through succession planning (Luna, 2012).

Family business succession planning

Succession planning is a "systemic, long-term process of determining goals, needs and roles within an organization and preparing individuals or employees groups for responsibilities relative to work needed within an organization" (Luna, 2012:60). Thus, succession planning helps to create the required talent pool of family members to meet future organizational needs (El-Chaarani, 2014). Owing to lack of succession planning, one-third of family businesses continue to the second generation and less than half of the second generation family enterprises make it to the third generation when the founder-manager retires or dies (Le Breton-Miller et al., 2004).

Succession planning demands that owner-managers train a member of the family to take over the business. The business owner states his or her successor in the succession plan. This document is important in the case of the sudden death of the founder/manager (Barach & Granitsky, 1995). However, succession plan alone does not guarantee successful succession. Rather, knowledge has been identified as an important asset that must be combined with extensive succession plan to achieve higher performance. The business specific knowledge that must be created and transferred within the business enterprise is technical knowledge/skills (Ghingold & Johnson, 1997). Researchers have identified lack of succession planning and ambiguous succession laws as the bane of succession and continuity problems in family business (Ogundele et al., 2012; Onuoha, 2013).

The law of succession in family business

The law of succession is the law that regulates the transition of the rights and obligations of a deceased person's estate to his heirs and successors. The deceased person can die testate or intestate. When the diseased person made a will before he died he is said to have died testate. Otherwise, he is said to have died intestate (Animashaun & Oyeneyin, 2002). Succession in South Eastern Nigeria is guided by customary law. Customary law is a body of customs and traditions, which regulate the various kinds of relationship between members of the community in their traditional setting (Okonkwo, 1979).

Succession in South Eastern Nigeria follows the primogeniture system. Primogeniture is a system where the oldest son succeeds a founder/CEO or family descendant/CEO in the ownership and management of the family business. This system denies the fathers the disagreeable task of comparing and choosing between their children (Obi, 2002, as cited in Nwadukwe, 2012). Onuoha (2010) asserts that in Igbo tradition, the right of the eldest surviving son succeeding his father in his business venture was automatic. Only the father can deny the eldest son this right. Among other reasons, this is commonly done on the grounds of intelligence and education.

Moreover, with respect to succession in the ownership and management of a deceased person's business venture, the custom law provides that: (1) in a monogamous household, when a man dies intestate, the eldest son (Okpala) succeeds him in his commercial ventures; (2) in a polygamous household (where the deceased has more than one wife), when a man dies intestate, the eldest sons of the wives jointly takeover the ownership of the business venture with the eldest son among them succeeding their father in running the business; (3) in places where it is lawful for a widow to be taken over as wife by a member of her husband's family, the husband of the widow, the son of the widow, the son born to the husband of the widow by a wife on whom he paid bride price jointly succeeds the deceased in his business venture; (4) succession in the ownership and management of business enterprises is patrilineal. Therefore, where a man is survived by daughters but not sons, the daughters cannot succeed him in his business enterprises; and (5) where a man is not survived by son(s), brother(s), father as well as half brother(s), but is survived by relatives, the closest relative in his family succeeds him in his business enterprise

(Okoro, 1971). The law of succession guides the transfer of the family business from the predecessor to successor during the succession process (Animashaum & Oyeneyin, 2002).

Family business succession process

The founder starts-up the family business and decides on how to operate it (Sraer & Teshmar, 2006), sets the initial business goals (Ayranci, 2010), and forms the organizational culture (Althanassiou et al., 2002). Thus, succession as a process begins before the heirs joins the business. The successor is selected based on gender, entrepreneurial capabilities, managerial/leadership skills, and level of education (Pyromalis & Vozikis, 2009). The successor is exposed to different phases of career training/development to learn functional leadership skills, understand the business' past, culture, employees, and to acquire relevant business knowledge at an early age. El-Chaarani (2014) asserts that it is very important for the successor to join the business as early as possible in order to gain experience, loyalty and emotional preparation through on-the-job training.

Over time, the successor starts to share power with the current business leader and subsequently takeover the business from the founder (Pontent et al., 2007; Mazzola et al., 2008). Through the performance/evaluation feedback, the successor is assessed by the owning family on the basis of passion for the job, managerial aptitude, empathic personality, vision for the future, and attitude towards the business and other workers (Le Breton-Miller et al., 2004; Fishman, 2009). If the successor is under-qualified and lacks the needed skills to run the family business, the firm will suffer and its sustainability will be threatened. All these make family business succession process one of the difficult aspects of the steps in family business development (Miller et al., 2008). One of the most significant factors that determine continuity of the family firm from one generation to the next is whether the succession process is planned (Mugo et al., 2015). However, completed succession process does not necessarily translate to a successful succession (Warnar, 2012).

Successful family business succession

The two most commonly used factors to define successful transfer which are adopted in the current study are the "quality" and the "effectiveness" of the transfer. The quality of the transfer is measured by the satisfaction of the stakeholders with the execution of the succession process. The quality of satisfaction measures the satisfaction level of founders, successors, family members, managers, owners as well as other agents involved in the business environment. It is an indication of the impact issues like conflict, distrusts, rivalry, resentment and stress have made on the process. Since this is the opinion of an individual, the measurement is highly subjective. As an objective measure, the effectiveness factors are used to assess the impact of the transfer on the performance of the firm. The effectiveness of the transfer can be measured by for example organizational or financial performances indicators (Sharma et al., 2001; Le Breton-Miller et al., 2004). However, the issue that needs to be addressed here is whether the financial indicators are the best measures of performance. Zellweger and Nason (2008) assert that the success and development of family business is influenced by economic and non-economic factors. Non-economic factors influence family business success or performance and development much more than the economic factors (Zellweger & Nason, 2008; Distelberg & Sorenson, 2009; Farrington et al., 2010).

Effect of Intra-Firm Network on Family Business Succession

Esuh et al. (2011) found that true succession will mediate the relationship between founder, successor and environment, and family business continuity. This result suggests that a good relationship among stakeholders in a family business can influence succession and continuity. Gbadegeshin (2013) found that awareness of the family business owners, the attitude of the owners towards intra-succession as a means of business continuity is related to preparation for succession and business continuity. The researcher concludes that increase in awareness of succession possibly increase the preparation of the entrepreneur and his or her successors. The study has shown that a good working relationship within a family firm creates awareness on ownership succession that could make firm owners and would-be successors to prepare for succession.

METHODOLOGY

Survey design, proportionate stratified random sampling and simple random sampling techniques were employed to generate the study data. To determine the population of the study, the list of registered businesses in Abia, Anambra, Ebonyi, Enugu and Imo States obtained from the respective States Ministries of Commerce and Industry were screened based on predetermined criteria. The criteria are that: (i) one or more of the founder/CEO's family member work in the business; (ii) the business was established between 1970 and 2017; (iii) the business is not moribund; (iv) the business is located in the founder's state of origin or residence; and (v) the business has not less than 5 but not more than 200 staff. Consequently, 2632 is the population of the study. The sample size of 335 was computed using Krejcie and Morgan (1970) sample size formula for finite population. Proportionate stratified random sampling technique was employed to allocate the sample size to the study strata using Bowley (1937) formula. The sample size is made up of 84 family businesses, 222 upper level male managers and 29 upper level female managers. The Table of Random Numbers was employed as a simple random sampling method to select from each state the family businesses that were studied.

Questionnaire was employed to collect the study data (Appendix I). The variables in the questionnaire are measured on a 5-point Likert scale that ranged from strongly agree (5) to strongly disagree (1). The questionnaire was validated by two experts. The validity of the questionnaire was reconfirmed using Bartlett's test of Sphericity and Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy. The results show that the Bartlett's test was significant (1598.794, Sig. = 0.00), while the KMO (0.746) is above 0.70 as recommended by Neuman (2006). The reliability was confirmed by the Cronbach's alpha value of 0.793. The researcher administered the questionnaire with the help of five research assistants. The generated data were analyzed using linear regression with the aid of SPSS (Version 21.0 for Windows). The decision rule is to reject the null hypothesis if the p-value is less than or equal to 5%. Otherwise the null hypothesis is not rejected.

Model Specification

The general model for the study is given as:

$$FBS = f(IFN) \quad \text{--} (i)$$

Where

FBS	=	family business succession
IFN	=	intra-firm network

The general linear regression model is given as:

$$Y = \beta_0 + \beta_1 X + e \text{ ---(ii)}$$

Where

Y = estimated value of the dependent variable

β_0 = the intercept of the line with Y - axis

β_1 = the slope. It estimates the rate of change in Y for a unit change in X

X = independent variable

e = random error

The effect of intra-firm network on family business succession was tested using the model in equation (iii). The apriori expectation is that intra-firm network will positively affect family business succession, while the absence of family business involvement in intra-firm network is expected to negatively affect family business succession.

$$FBS = \beta_0 + \beta_1 IFN + e \text{ ---(iii)}$$

Where

FBS = family business succession

β_0 = the intercept of the line with Y - axis

β_1 = the slope. It estimates the rate of change in Y for a unit change in X

IFN = intra-firm network

e = random error

Summary of the Analysis of the Coded Responses to the Questionnaire Item Statements

Table 1: Analysis of the Coded Responses on the Questionnaire Item Statements

Degree of Response	**QIS1**		**QIS2**		**QIS3**		**QIS4**		**QIS5**		**Total**	
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
SA	68	21.25	64	20.00	58	18.13	150	46.87	79	24.69	**419**	**26.19**
A	76	23.75	108	33.75	92	28.75	64	20.00	78	24.38	**418**	**26.12**
U	33	10.31	29	9.06	36	11.25	22	6.88	10	3.12	**130**	**8.13**
D	79	24.69	67	20.94	89	27.81	59	18.44	82	25.62	**376**	**23.50**
SD	64	20.00	52	16.25	45	14.06	25	7.81	71	22.19	**257**	**16.06**
Total	**320**	**100.0**	**320**	**100.0**	**320**	**100.0**	**320**	**100.0**	**320**	**100.0**	**1600**	**100.0**
Mean	**3.02**		**3.04**		**3.09**		**3.80**		**3.04**		**3.23**	
S	1.58		1.58		1.58		1.82		1.58		1.60	

Note: QIS = Questionnaire Item Statement, F = Frequency, SA = Strongly Agree, A = Agree, U = Undecided, D = disagree, SD = Strongly Disagree, S = Standard Deviation
Source: Author's Computation, 2017

The analysis of the responses to the first questionnaire item statement in Table 1 reveals that 45.0% (144) of the respondents affirm the statement. The responses further show an aggregate mean value (3.02) that is higher than the threshold of 3.0. Thus, the statistics imply that individuals with similar expertise and background assist in drawing up family business succession plan. Table 1 reveals that 53.75% (172) of the respondents affirm the second questionnaire item statement. The responses reveal an aggregate mean value (3.04) that is higher than the threshold of 3.0. It can thus be inferred from the statistics that employees from diverse units and levels within the same family business support a well laid down procedure for selecting a successor.

The analysis in Table 1 reveals that 46.88% (150) of the respondents affirm the third questionnaire item statement. Despite the less than 50.0% affirmation, the responses show an aggregate mean value (3.09) that is higher than the threshold of 3.0. This statistics imply that the founder/CEO's ability to gather information from various units and levels in the firm helps in maintaining an organized training programme for potential successors. Analysis of the responses to the fourth questionnaire item statement reveal, that 66.87% (214) of the respondents affirm the statement. The responses gave an aggregate mean value (3.80) that is higher than the threshold of 3.0. The statistics imply that during management succession, the relationship the founder/CEO maintains with others in the focal firm enhances effective evaluation and judgment on where the competencies lie in the focal firm. Table 1 further reveals that 49.07% (157) of the respondents affirm the fifth questionnaire item statement. Despite the less than 50.0% responses, the responses reveal an aggregate mean value (3.04) that is higher than the threshold of 3.0. It can thus be inferred from the statistics that the relationship between a founder/CEO and others within a firm facilitates incremental improvement and successful succession. Based on the overall affirmation of the five questionnaire item statements by 52.31% of the respondents and the overall aggregate mean value of 3.23, it can be inferred that intra-firm network has effect on family business succession.

Test of Hypothesis

H_0: Intra-firm network has no significant and positive effect on family business succession.

H_a: Intra-firm network has significant and positive effect on family business succession.

The results of the goodness-of-fit and the significance of the regression of family business succession on intra-firm network are presented in Tables 2(a) and 2(b).

Table 2(a): Goodness-of-fit of the Regression of Family Business Succession on Intra-firm Network

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.898	.806	.806	.452	1.884

Predictors: (Constant), Intra-firm network
Dependent Variable: Family business succession
Source: Author's Computation, 2017

Table 2(b): Significance of the Regression of Family Business Succession on Intra-firm Network

	Standardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	**B**	**Std. Error**	**Beta**	**T**	**Sig.**	**Tolerance**	**VIF**
1**(**Constant**)**	-18.472	.926		-19.948	.000		
Intra-firm network	.889	.024	.752	37.042	.000	.773	1.126

Predictors: (Constant), Intra-firm network
Dependent Variable: Family business succession
Source: Author's Computation, 2017

The result of the goodness-of-fit of the regression of family business succession on intra-firm network in Table 2(a) reveal that a strong relationship exists between intra-firm network and family business succession (R = .898). This suggests that intra-firm network can significantly influence family business succession. The coefficient of determination (R^2) of .806 show that intra-firm network made a significant contribution to family business succession. The adjusted R^2 show that intra-firm network explained 80.6% of the total variance in family business succession (Adj. R^2 = .806), while the standard error of .452 show that intra-firm network is significant in explaining the variation in family business succession. This implies that intra-firm network helps members of a family to achieve family business succession. The Durbin-Watson statistics value of 1.884 depicts that there is no autocorrelation in the errors of the regression model. Therefore, the predictor is truly significant. The collinearity statistics in Table 2(b) show a tolerance value of .773 and a VIF value of 1.126. Since the tolerance value is higher than .40 and the VIF value is less than 2.500, it implies that the data has no collinearity problem. Table 2(b) further show that the effect of intra-firm network on family business succession is significant and positive (β = .752, t = 37.042, $P< .05$). Therefore, H_0 is rejected. In conclusion, intra-firm network has significant and positive effect on family business succession.

DISCUSSION AND CONCLUSION

The result of this study is somewhat similar to previous findings (Esuh et al., 2011; Gbadegeshin, 2013). During succession planning, owner-managers select a member of the family to take over the business. The succession plan as a document is important in the case of the sudden death of the owner/manager. Succession plan and its implementation are enhanced by the nature of the relationship among the family members and the non-family employees. However, succession plan alone does not guarantee successful succession (Ogundele et al., 2012; Onuoha, 2013). Succession in South Eastern Nigeria is regulated by customary law. Traditionally, this law regulates the various kinds of relationship among members of the community (Okonkwo, 1979). This law gives the eldest surviving son an automatic right to succeed his father in family business. However, only the father can among other reasons other than intelligence and education deny the eldest son this right (Onuoha, 2010).

Knowledge and relationship network have been identified as factors that must be combined with a succession plan to achieve higher performance. The business specific knowledge of the business must be created and transferred to the successor through training (Ogundele et al., 2012; Onuoha, 2013). Through training, the successor is exposed to functional leadership skills, the business' past, culture and employees at an early age. Early exposure helps the successor to gain experience, loyalty and emotional preparation (El-Chaarani, 2014). Over time, the successor starts to share power with the current business leader and subsequently takeover the business from the founder (Pontent et al., 2007; Mazzola et al., 2008). Through the performance/evaluation feedback, the successor is assessed by the owing family on the basis of passion for the job, managerial aptitude, empathic personality, vision for the future, and attitude towards the business and other workers (Fishman, 2009). If the successor is under-qualified and lacks the needed skills to run the family business, the firm will suffer and its sustainability will be threatened (Miller et al., 2008).

Family business owner-managers that desire successful inter-generational succession and that wants to avoid the conflicts associated with unsuccessful succession needs to be actively involved in the intra-firm network within the firm. This network relationship is important because it enhances a cordial working relationship among the family members and the employees who are not family members. In addition, it ensures that the sources of pre- and post- succession conflicts are well managed. This network facilitates the emergence of a successor based on knowledge, competence and experience rather than primogeniture and gender. Involvement in this relationship has become more important now than ever before owing to unprecedented unsuccessful successions in family businesses and the increase in the number of educated female family members who are doing exploits in business today. There is no study without limitations. This study is limited to small and medium sized family businesses and intra-firm network in South Eastern Nigeria. This limitation certainly affects the generalization of the results. Further studies in this area can investigate the effect of other networks types like family network on micro and large family businesses in other geopolitical zones of Nigeria or other parts of the world.

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Appendix I: Questionnaire Item Statement

S/N	Item Statement	SA	A	U	D	SD
	Effect of Intra-firm Network on Family Business Succession					
1.	Individuals with similar expertise and background assist in drawing up family business succession plan.					
2.	Employees from diverse units and levels within the same family business support a well laid down procedure for selecting a successor.					
3.	The founder/CEO's ability to gather information from various units and levels in the firm helps in maintaining an organized training programme for potential successors.					
4.	During management succession, the relationship the founder/CEO maintains with others in the focal firm enhances effective evaluation and judgment on where the competencies lie in the focal firm.					
5.	The relationship between a founder/CEO and others within a firm facilitates incremental improvement and successful succession.					