

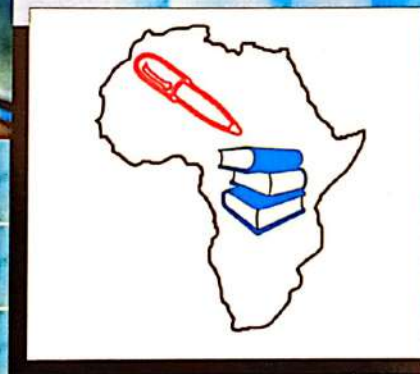
SAHEL ANALYST JOURNALS



AFRICAN JOURNAL *of* **MANAGEMENT**



VOL. 2 NO. 3, DECEMBER 2017



**A publication of Department of
Business Administration**

University of Maiduguri, Nigeria

ISSN No.:1118-6224

EDITORIAL BOARD

AJOM Board comprises of Editor-in-Chief, Associate Editors and Editorial Advisers:

Editor-in-Chief – Prof A. G. Alooma

Dean, Faculty of Management Sciences University of Maiduguri/HOD,
Department of Business Administration, University of Maiduguri

Associate Editors

Prof A. A. Aminu – Dept. of Business Admin., University of Maiduguri

Prof S. K. Msheliza – Dept. of Banking & Finance, University of Maiduguri

Prof M. I. Bazza – Department of Business Admin., University of Maiduguri

Editorial Advisers

Prof M.D Madawaki – Dept. of Banking & Finance, University of Maiduguri.

Prof James J. Adefila – Department of Accounting, University of Maiduguri.

Prof A. Malgwi – ”

Prof H. D. Dlakwa – Dept. of Public Administration, University of Maiduguri.

Prof D. H. Balami – Department of Economics, University of Maiduguri.

Prof Walter C. Ndubuisi – Michael Okpara Univ. of Agric., Umudike, Nigeria

Prof Dauda Abubakar – University of Michigan, USA

Prof Aminu S. Diyo – Federal Commissioner for Kogi/Kwara, Federal Service
Commission, Abuja, Nigeria (<http://www.fedcivilservice.gov.ng/>)

Prof Abdullahi Sani – Dept. of Bus. Admin., Ahmadu Bello University, Zaria.

Prof Mohammed Sabo – ”

Prof Mohammed M. Maishanu – Department of Business Administration,
Usman Dan Fodio University, Sokoto.

Prof Abdulsalam O. Dauda – ”

Prof A. S. Abdullahi – ”

Prof David Ireferin – Department of Economics, Federal University Lokoja.

Prof John Naphtali – ”

Dr Mrs Fatima. Usman – Business Administration, University of Maiduguri.

Dr Muhammad Musa – Department of Economics, Federal University Lokoja.

Dr Mrs Rachael. O. Folorunso – Dept. of Marketing, University of Maiduguri.

Dr Mrs Ruth. H. Waziz – ”

Dr Mrs Bintu. M. Chibok – ”

Dr Kiyadi Biradawa – Dept. of Banking & Finance, University of Maiduguri.

Dr Shehu Liberty – Dept. of Public Administration, University of Maiduguri.

Dr Usman D. Umoru – ”

Dr Ahmed Modu Kumshe – Dept. of Accountancy, University of Maiduguri.

Dr Fatima Alfa Tahir – ”

Dr John Kwazi – ”

TABLE OF CONTENTS

1. Effect of Ownership Structure on the Quality of Reported Earnings of Quoted Conglomerate Companies in Nigeria 1 – 16
Akindele, Jamiu Adeniyi ; Okewale, Joel Adeniyi PhD & Bakare, Taophic Olarewaju
2. African Development Crisis: The Relevance of New Partnership for African Development (NEPAD) 17 – 35
Raji, Adesina Abdulfattah PhD
3. Headquarters Control and Subsidiaries Performance in Multinational Companies in Nigeria 36 – 63
Drs Maurice Aghedo & Caroline Aturu-Aghedo
4. Future of Business Group Affiliates in the Emerging Markets: Evidences from Damaturu, Yobe State, Nigeria 64 – 74
Kolawole, Abdulazeez Oyeniyi
5. Effect of Extrinsic Motivation on Pharmaceutical Industries in Nigeria 75 – 88
Ajalie, Stanley N.; Ofuonybuzor, Daniel C.; Kabiru Tsoho & Auwal, Ahmad Yahaya
6. Analysis of Directive and Participative Leadership on Succession Planning: Evidence from Nigeria Family Owned Businesses (FOB) 89 – 103
Jimoh, Adams Lukman; Abogunrin, Abiodun Peter & Aremu, Nuha Salihu
7. Employee Retention: A Systematic Review 104 – 121
Ugo Chuks Okolie & Evelyn Umemezia
8. Comparative Analysis of Anti-Graft Institutions in Singapore and Nigeria 122 – 133
Adamu Hamma Daura & Babagana Lawan Abba
9. Entrepreneurship Development: A Panacea for Rural Development in Nigeria 134 – 144
Asabi, Mathew Oludele
10. Work Related Burnout and Employee's Commitment in Nigerian Maritime Industry: A Study of Dock Workers in Apapa Port Complex 145 – 156
Bello, Bashiru Akande PhD, Oluwaseyi Joseph Afolabi & Fatunbi, Folasayo Agnes

ANALYSIS OF DIRECTIVE AND PARTICIPATIVE LEADERSHIP ON SUCCESSION PLANNING: EVIDENCE FROM NIGERIA FAMILY OWNED BUSINESSES (FOB)

Jimoh, Adams Lukman

jimohadamslukman@gmail.com 08130915030, 08109619808

Abogunrin, Abiodun Peter¹

lasunreach@hotmail.co.uk 08178522200

Aremu, Nuha Salihu¹

nusaremu@gmail.com 07033028246

Abstract

Regardless of the abundant studies that exist on succession planning in family businesses there are still many evidences of family business failures. This is due to the fact that the issue of types of leadership a business adopts while planning towards succession and how it affects family business survival is yet to be addressed. This study examined empirically the effects of directive and participative leadership on succession planning in Nigeria Family Owned Businesses. This study adopted an explanatory research design. The population of the study comprises all Family Owned Businesses in Lagos State and 387 respondents were purposively chosen from the population. The study employed primary source of data collection and the respondents were the owners/founders of family businesses. Single Regression analysis was used to test the formulated hypotheses. The study comes out with the following findings: ($R=0.812$, $R^2=0.659$, $P(0.000) < 0.5$) this Indicates that the model as fitted explains 65.9% of the variability in succession planning and ($R=0.535$, $R^2=0.287$, $P(0.000) < 0.5$). This implies that 28.7% variation in the dependent variable succession planning is explained by the independent variables used in the model. The study concludes that directive and participative leadership are major and significant determinants of succession planning in Family Owned Businesses. The study therefore recommended that business organisations should build a culture of strong leadership whereby employees exhibit effective leadership at all levels and they should also enhance relationships between the leaders and followers and or between followers in the organisation and increase communication flow across the organisation in order to ensure a successful future succession plan.

Keywords: Directive leadership, Participative leadership, Family owned businesses

¹ Department of Industrial Relations and Personnel Management, Faculty of Management Sciences, University of Ilorin, Ilorin, Kwara State, Nigeria

Introduction

The primary objective of any business is to achieve specific objectives. In order to achieve these objectives, the human resources are of utmost importance. Top on the human resources list is the leader. A leader influences business members to contribute efforts willingly towards the accomplishment of pre-determined goals and objectives. Thus, leadership is first and foremost the ability to influence people to perform tasks over a period of time using principally motivational techniques (Kotter, 1996; Yammarino & Dubinsky, 1994).

However, researchers and consultants have long stressed succession planning's importance in ensuring the continuity and prosperity of Family Owned businesses (Ward, 2003). Nevertheless, FOB, like other business concerns pose leadership and succession challenges that normally require a unique approach to their solutions (Dunemann & Barrett, 2004). For FOB to survive, there is always a pertinent need for good leadership, good managerial skills, human resource management and a succession strategy that envisions the exit of founders; or others, who at one time or another, reached the helm of company leadership and authority - company politics notwithstanding. According to Marshall (2001) the issues surrounding succession planning are much more complex than simply passing the business along to the eldest son.

It is no longer a tradition, or even expected, that businesses will be passed to the oldest son. In many ways, this makes the issue of succession planning more difficult for the founder/owner because the decisions of when, how, and to whom the business will be transferred must be planned in advance. Sorenson's (2000) research shows leadership style that the business founder employs plays a critical role in successful succession planning. It has been argued that one of the primary functions of businesses is to maximise productivity. This responsibility for productivity and smooth functioning rests primarily upon the leadership of the business. In the case of family-owned businesses, however, the issue of leaders maximising productivity is more difficult than it may be for non-family-owned businesses. That is because the leaders of family-owned businesses may also be the parents, siblings, or relatives of those they employ.

Wren (2005) states that, the family business leadership should foster good communication among members and with non-members employees and should also provide for orderly succession. He further states that, these factors are the most important in counteracting the strong emotions that can arise. At home, responsibilities and rights are different than at work and this should be kept in mind at all times that FOB is engine of economic development through contribution of jobs creation and poverty reduction.

In spite of the importance of succession to the continuity of family business, there are only limited studies that have examined effect of leadership on succession planning of FOB. This study therefore seeks to establish effect

of both directive and participative leadership on succession planning in FOB in Lagos State, Nigeria.

Literature Review

Concept of leadership

Leadership is first and foremost the ability to influence people to perform tasks over a period of time using principally motivational techniques (Kotter, 1996; Yammarino & Dubinsky, 1994). A process whereby an individual influences a group of individuals to achieve a common goal (Northouse, 2007). Leadership is the ability to evaluate and or forecast a long term plan or policy and influence the followers towards the achievement of the said strategy (Adeoye, 2009). According to Charles (1992) "A leader shapes and shares a vision which gives point to the work of others."

Concept of Succession Planning

Succession planning is the process of assessing and auditing the talent in the organisation in order to answer three fundamental questions: Are there enough potential successors available? Are they good enough? And do they have the right skills and attributes for the future (Armstrong, 2006)? Suh, Yun-Hee and Park (2008) posited that succession planning prepares the company and the employee for future needs. According to Charan, Drotter and Noel (2001), succession planning is a process of identifying and developing internal people with the potential to fill key business leadership positions in the company.

Concept of Family Businesses

Authors and researchers in the field of family business are yet to agree and strike a balance on a specific definition of family business. However, many researchers (Lorna, 2010; Handler, 1990; Churchill and Hatten, 1987) and host of others have made frantic effort to arrive at certain definition particularly in the social science research domain, though offering different view on the definition of family business. People seem to understand what is meant by the term family business, yet when they try to articulate a precise definition they quickly discover that it is very complex phenomenon.

Therefore, the following situations suggest the definition of family business: "a business is owned by a family but run by non-family managers. A business is owned by a large, multi-national corporation but run by a local family. A business is jointly owned by two unrelated partners, each of whom has a son in the business". Lorna (2011) defined family business as "as one that will be passed on for the family's next generation to manage and control". All these give impression and basic understanding of what family business mean. Handler (1990) defined it as "a business run by at least one family member". Churchill and Hatten (1987) also explained family business as "a founder-operated business where there is anticipation that the business will be passed to the next generation" However, in a more directional and precise form, family business suggest solely businesses that are owned and managed

by family either by the founder or any of his children, in most cases the eldest or first son.

Directive Leadership and Succession Planning

The concept of the directive leader conceptualises the role of leaders as acting as a role model for followers, displaying a sense of power and confidence, and making bold, unconventional decisions. Furthermore, directive leaders develop and communicate an emotionally captivating vision, foster the acceptance of shared goals, and motivate followers for the achievement of common aspirations' by directing others hence the staff are able to follow the lead. Through this, directive leaders are able to lay a strong foundation for the future succession of the company (Walter & Bruch, 2009).

Directive leadership comprises the transformational traits of idealised influence and inspirational motivation. That is, directive leaders communicate an idealised vision and motivate their followers by appealing to their values and beliefs thus their staff are likely to follow the same trend and make good candidates for the future succession of the company (Yukl, 2013). Their vision is usually different from the status quo and relies on the idea that the organisation is not realising its full potential. Directive leaders tend to draw on relationship-oriented behaviours (Yukl, 2013; Northouse, 2009).

Participative leadership and succession planning

According to Bass (2008), participative leadership is one of many ways in which an organisation can make decisions regarding its future succession plans. The leader must think of the best possible style that will allow the organisation to achieve the best results. This enables employees work to their level best hence ensuring that the future is well planned for. Participatory decision-making by the top management team can ensure the completeness of decision-making and may increase team member's commitment to final decisions in future when they are considered for various posts in the company.

A study done by Wolf (2002) shows employees that were given a voice in the operation of the company felt personally liable for the success of the company and for its future leaders. The staff morale remains at a high level because there is an appreciation for the chance to be part of the company decision-making process in the future succession of a company. Employees will also take a more active role in improving the work conditions when they know that they can directly affect the policies that govern the workplace. A participative style of leadership offers employees more than just the opportunity to improve their income through good performance and ability to make the company successful. It gives staff members the chance to be active in determining the future success of the company. Allowing employees to be active in the growth of the organisation encourages those employees to stay with the company to see their plans result in success. This will improve employee retention and improve the future succession of the company (Yang, 2012).

Empirical Framework

This section review extant literature on succession planning in family owned businesses. Some of these studies include the work of Musa and Semasinghe (2014) that examined leadership succession problem in small family businesses in Nigeria and found that most founders of family-owned firms failed to embark on succession planning due to fear of losing control of the business to subordinate or any member of the family. In addition to their findings, they also discovered that the problem of inheritance among family members militate against the continuity of family enterprises.

Aderonke (2014) carried out a research on culture determinants and family business succession in Jos, Nigeria found that cultural factors such as extended family system, inheritance tradition (such as preference for sons, marriage), and education have significant impact on the successful succession of family enterprises. Abdulazeez, Hakeem and Bisayo (2014) conducted a research on leadership styles and organisational performance in Nigeria SMEs. A survey of two hundred and sixty eight small and medium enterprises was undertaken. Data generated were analysed by means of descriptive and inferential statistics. The results found that the Nigerian SMEs are more autocratic and less participative as the power distance between business owner and employees is very wide. The study further revealed an insignificant relationship between leadership style and organisational effectiveness. Hence, it is concluded that leadership style among Nigerian SMEs is not a major factor in determining organisational performance.

Nicolas (2015) discusses the effects of leadership styles on succession planning in SMEs in Kenya. The study used Cluster sampling technique to select the sample size of 335 SMEs. The primary data on the other hand was obtained from questionnaires. Cronbach's alpha was used to determine reliability, Descriptive statistics such as frequency distribution, percentages, means and standard deviations was calculated and data presented in form of tables, graphs and charts was used. Inferential statistics was used to draw implications from the data with regard to the regression model. The study findings indicated that directive leadership, transformational leadership and transactional leadership have a positive and significant effect on succession planning. However, participative leadership has no significant effect on succession planning.

Onuoha (2013) conducted a study on poor succession planning by entrepreneurs in Nigeria and found the following factors to be responsible for poor succession. These include entrepreneurs' feelings of sound health; lack of interest by potential successor; entrepreneurs' lack of knowledge of what succession planning entails; and the fear of mismanagement. The foregoing studies highlighted several factors that tend to inhibit the succession and continuity of family-owned businesses in Nigeria. It is pertinent to mention that none of the studies above examined the effect of leadership on succession planning of family owned businesses, Hence, the aim of this study is to

conduct research on the effect of directive and participative leadership on family-owned businesses in Lagos in order to bring to bear whether the leadership adopt in FOB affect their succession planning.

Theoretical Framework

Situational theory

The situational or contingency theory proposes that the effectiveness of a certain leadership style is situational or contingent, meaning that it will be effective in some circumstances but not in others. Those aspects of the situation that enhance the effects of the leader or nullify them are called situational moderator variables (Yukl, 2002). Therefore, the contingency theory assumes that there is no universally appropriate leadership style or one-best-way. The first comprehensive contingency theory of leadership was proposed by Fiedler (Fiedler, 1964, 1967), who determined the situation using three aspects: the leader member relations, the position power, and the task structure.

Systems theory of organisation

The systems approach to organisation view an organisation as a whole with a set of interrelated and interdependent parts. These parts could be internal or external. The individuals are essential part of the organisation without which the organisation could neither exist nor function. The theory has its roots in Bertalanfy (1972), who propagated the idea via his publication: 'General System Theory'. According to him, "in order to understand an organised whole, we must know both the parts and the relations between them". Since Bertalanfy perfected his idea, many scholars have built upon it.

To Barnard (1958), cooperation is thus a creative process and leadership is the fulminator of its forces. Barnard's analysis has only justified the essence of participation in organisations. Cooperation here includes exchanging ideas and creating room for suggestions from subordinates. No doubt, participation does have enormous potentials for raising productivity, bettering morale and improving creative thinking.

Team Building theory

This theory emphasises quality circles, best practices, and continuous improvement. It is a theory that mainly hinges on reliance on teamwork. It also emphasises flattening of management pyramid, and reducing the levels of hierarchy. Finally, it is all about consensus management that is involving more people at all levels in decision-making.

Conceptual Model for the study

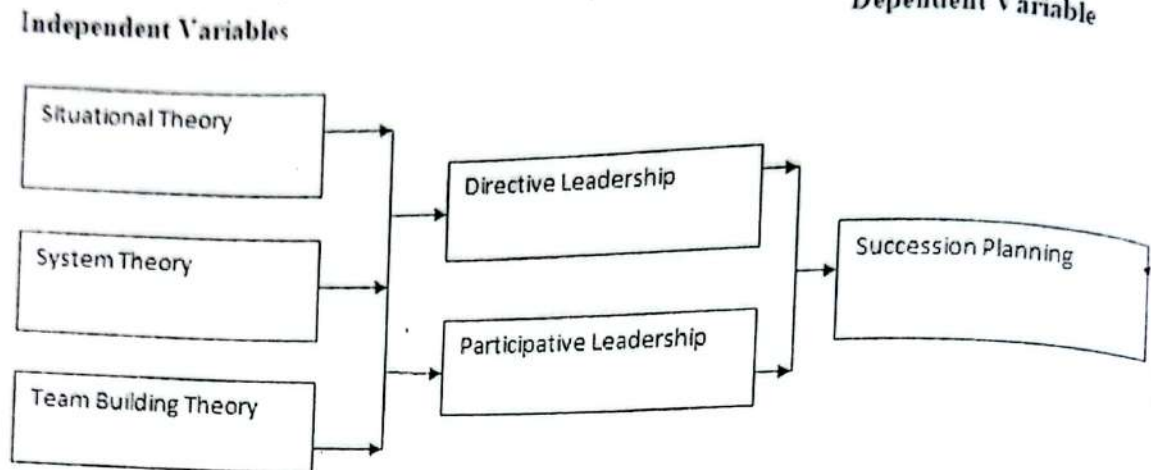


Figure 1: Conceptual framework of Leadership styles on succession planning
Source: Adapted from Nicolas (2015)

Situational, System and Team building theory provide the basis of the study independent variables. Succession planning served as the study dependent variable. The theories assume that both the directive and participative leadership affect succession planning in FOB. These variables lead to the conceptual framework of the study as illustrated above.

Methodology

Research Design

This study adopted an explanatory research. In most instances, explanatory research attempt to capture attitude or patterns of past behavior (Hagan, 2000).

Population of the study, Sampling frame and Sample Size

The population of the study includes all family-owned enterprises in Lagos state, Nigeria. The study was conducted in Lagos due to the problem of unorganised association of family-owned enterprises in Nigeria and the lack of access to information. Besides, Lagos is the commercial hub of Nigeria as 60% to 70% of businesses and industrial transactions are executed in Lagos (Lucky, Minai & Isaiah, 2011).

This study adopted a purposive sampling technique to select 387 participants (owners/founders of family businesses) from the population. A total of 344 questionnaires were completed and returned. Purposive sampling is also known as judgmental, selective or subjective sampling. It is a type of non-probabilistic sampling that relies on the judgment of the researcher when it comes to selecting the units that are to be studied. The sample covered family-owned businesses that cut across different industries such as manufacturing, commercial, construction, and service. It is important to mention that certain criteria were used in selecting the participating family-owned businesses for this study. These criteria include family firms: existing for over three years; run by the family member (s), and evidence to pass the business to the next generation.

Method of Data Collection and Analysis

The study used structured questionnaire as data collection instrument. The items of the questionnaire were adapted from the work of Nicolas (2015) on effect of leadership styles on succession planning in SMEs in Kenya. The study established the face and content validity of the items used. Likert scale of five points was used to enable the respondents give their opinions to items in the questionnaire based on the following grades: Strongly Agree (SA) = 1, Agree (A) = 2, Undecided (UN) = 3, Disagree (D) = 4, and Strongly Disagree (SD).

Data were analysed through the use of SPSS (Statistical Package for Social Science) software. All the analyses were conducted using 5% level of significance. Descriptive methods were employed in analysing qualitative data where frequencies and proportions were used in interpreting the respondent's perception on issues that was raised in the questionnaire so as to answer the research questions. Descriptive statistics such as frequency distribution, percentages, means and standard deviations were calculated.

Data Presentation and Analysis

Analysis of the research questions represented in percentages and mean score

The research questions are summarised using the percentages and mean score. As regards to the tables below, the calibrations are as follows: Strongly Agree (SA) = 1, Agree (A) = 2, Undecided (UN) = 3, Disagree (D) = 4, and Strongly Disagree (SD) = 5. Any mean score below '3' implies a Strongly Agree or Agree while any mean score above '3' implies Disagree or Strongly Disagree.

Table 1 Questions addressing directive leadership, expressed in percentages

Variables	SA %	A %	U %	D %	SD %	Mean	Std Dev.
I rarely allow the goals or the plan to be openly or routinely questioned once they are in place	23.0	57.0	12.8	3.5	3.8	2.081395	0.912691
I make sure that every task you work toward is by the book or has worked before	29.1	44.2	14.2	10.8	1.7	2.119186	1.004528
I make sure that everyone is supervised and is given a task	44.2	48.3	4.7	2.6	.3	1.665698	0.713377
I assign tasks designed to accomplish specific goals	39.2	41.9	11.9	5.2	1.7	1.883721	0.931078
I guide and structures employees' activities	30.5	55.8	13.7	0.0	0.0	1.831395	0.643924
I clarify expectations, goals, and work methods	30.5	55.8	13.7	0.0	0.0	1.831395	0.643924
I monitor and follow up on our assignments	31.1	48.8	18.0	2.0	0.0	1.909884	0.752462
I define roles and communication patterns	34.0	44.8	16.3	4.7	.3	1.924419	0.843488
I plan, schedule, and assign responsibilities	19.8	57.8	11.3	8.7	2.3	2.159884	0.919828

Source: Field survey, 2016.

Table 1 shows the questions addressing directive leadership. It is evident from the result that the mean score for all the variables are less than '3' which is the stipulated benchmark for accepting the statement or not. Analysis on the percentage also back up the mean score as the majority of the

respondents strongly agree or agree to each of the variables addressing directive leadership.

Table 2 Questions addressing participative leadership expressed in percentages

Variables	SA %	A %	U %	D %	SD %	Mean	Std Dev.
I am allowed to participate in planning daily activities	36.0	47.1	14.0	2.9	0.0	1.837209	0.769089
I am allowed to set my own targets	34.6	45.1	11.0	9.3	0.0	1.950581	0.910195
In my business, employees participate in Setting procedures	33.7	41.6	18.9	5.8	0.0	1.968023	0.871727
Employee in my business are allowed to have direct influence on their work	23.5	46.8	22.1	7.6	0.0	2.136628	0.861517
I am allowed to make use of personal judgment	17.2	54.7	21.5	6.1	.6	2.18314	0.807151
I am allowed to decide on how to do my job	24.4	45.9	20.1	5.5	4.1	2.188953	0.999589
In my business employees have much to say or influence on what goes on in their work group	29.9	43.9	21.5	2.6	2.0	2.02907	0.896559
In my business employees have much to say or influence on decisions that affect their job	17.7	43.9	29.7	6.7	2.0	2.313953	0.910088
My superiors keep time and listen to my ideas and suggestions	17.2	46.2	25.0	9.9	1.7	2.328488	0.931911

Source: Field survey, 2016

Table 2 shows the questions addressing participative leadership. It is evident from the result that the mean score for all the variables are less than '3' which is the stipulated benchmark for accepting the statement or not. Analysis on the percentage also back up the mean score as the majority of the respondents strongly agree or agree to each of the variables addressing participative leadership.

Table 3 Questions addressing Career planning expressed in percentages

Succession planning questions	SA %	A %	U %	D %	SD %	Mean	Std Dev.
There is no conflict between stakeholders on who should take over the business	47.4	34.6	14.5	3.2	.3	1.744186	0.842543
There is high commitment and involvement of the management/owners	26.2	28.2	28.8	13.7	3.2	2.395349	1.109504
The owners regularly review talent of the successor	33.4	44.2	13.1	7.3	2.0	2.002907	0.970403
The business have never been left without a leader	23.5	49.7	17.2	6.4	3.2	2.159884	0.96318
There has been understanding among stakeholders on who should take over the business	26.5	43.9	16.6	10.5	2.6	2.188953	1.025503
Whoever take over the business is respected by all stakeholders	39.0	41.3	14.8	4.9	0.0	1.857558	0.846912
The business stills runs well with the new successor	31.4	41.9	18.3	6.7	1.7	2.055233	0.95976
We love the new successor	27.9	49.7	14.8	6.7	.9	2.02907	0.880149

Source: Field survey, 2016.

Table 3 shows the questions addressing succession planning. It is evident from the result that the mean score for all the variables are less than '3' which is the stipulated benchmark for accepting the statement or not. Analysis on the percentage also back up the mean score as the majority of the respondents strongly agree or agree to each of the variables addressing succession planning.

H₀: there is no significant effect of directive leadership on succession planning in FOB

Table 4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.812 ^a	.659	.658	.94865

a. Predictors: (Constant), Directive Leadership

Source: Author's computation, 2016

The correlation coefficient (R) equals 0.812, indicates a positive relationship between the variables. The R-Squared statistic indicates that the model as fitted explains 65.9% of the variability in succession planning. This established that effective use of directive leadership on succession planning will have effect on the survival of FOB

Table 5 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	593.774	1	593.774	659.790	.000 ^b
	Residual	307.781	342	.900		
	Total	901.555	343			

a. Dependent Variable: Succession Planning

b. Predictors: (Constant), Directive Leadership

Source: Author's computation, 2016

The p-value of (0.000) which is less than the level of significant at the 0.05 indicate that the result is statistically significant; therefore the null hypothesis is rejected. Therefore, it can be concluded that there is a significant effect of directive leadership on succession planning in FOB.

Table 6 Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1	(Constant)	-3.283	.272	12.060	.000
	Directive Leadership	1.741	.068	.812	.000

a. Dependent Variable: Succession Planning

Source: Author's computation, 2016

The regression coefficient of the above equation for the model implies that unit change in directive leadership will exert a positive effect on succession planning. Thus: H_0 : there is no significant effect of participative leadership on succession planning in FOB

Table 7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.535 ^a	.287	.285	1.26608

a. Predictors: (Constant), Participative Leadership

Source: Author's computation, 201

The correlation coefficient (R) equals 0.535, indicates a positive relationship between the variables. The R-Squared statistic indicates that the model as fitted explains 28.7% of the variability in succession planning. This established that effective use of participative Leadership on succession planning will have effect on the survival of FOB

Table 8 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	220.287	1	220.287	137.425	.000 ^b
	Residual	548.213	342	1.603		
	Total	768.500	343			

a. Dependent Variable: Succession Planning

b. Predictors: (Constant), Participative Leadership

Source: Author's computation, 201

Also the p-value of (0.000) which is less than the level of significance at the 0.05 indicate that the result is statistically significant; therefore the null hypothesis is rejected. It can thus be concluded that there is a significant effect of participative leadership on succession planning in FOB

Table 9 Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.948	.249		3.816	.000
Participative Leadership	.737	.063	.535	11.723	.000

a. Dependent Variable: Succession Planning

Source: Author's computation, 2016

The regression coefficient of the above equation for the model implies that a unit change in participative leadership will exert a positive effect on succession planning.

Discussion of Findings

The general purpose of this study was to determine the effect of directive and participative leadership on succession planning in Family Owned Businesses (FOB) in Nigeria.

The first hypothesis seeks to determine whether directive leadership has any significant effect on succession planning in FOB. The findings revealed that regression coefficient of the Table 4.3 equations for the model implies that a unit change in directive leadership will exert a positive effect on succession planning. Also the p-value of (0.000) which is more than the level of significance at the 0.05 indicates that the result is statistically significant. Therefore, it can be concluded that there is a significant effect of directive leadership on succession planning in FOB. This result is aligned with the view of Nicolas (2015) that directive leadership has a positive and significant effect on succession planning in FOB.

The second Hypothesis seeks to determine whether participative leadership has any significant effect on succession planning in FOB. The research findings revealed that the regression coefficient of the Table 5.3 equation for the model implies that unit change in participative leadership will exert a positive effect on succession planning. Also the p-value of (0.000) which is less than the level of significance at the 0.05 indicates that the result is statistically significant. Therefore, it was concluded that there is a significant effect of participative leadership on succession planning in FOB. This result is contrary with the view of Nicolas (2015) and Abdulazeez, Hakeem and Bisayo that argued otherwise that participative leadership has no positive and significant effect on succession planning.

Conclusion and Recommendations

This study is geared towards evaluating the effect of directive and participative leadership on succession planning in FOB in Nigeria. In management or any leadership role, be it in a corporate or community environment, leadership succession or succession planning has often been a bugbear. Many organisations – large and small – have even disappeared into distraction because of poor or non-existent succession plans. We've often heard that a hallmark of effective leadership would be for the organisation to be able to continue growing after they leave. That would be a leader's legacy. The study concluded that both the directive and participative leadership has a significant effect on succession planning in Nigeria FOB. In light of the findings of the study, the following recommendations were made:

- i. Organisations should build a culture of strong leadership whereby employees will show effective leadership at all levels and also plan, schedule, assign responsibilities and structure employees' activities in order to model good candidates for future succession.

- ii. They should also enhance relationships between the leaders and followers and or between followers in the organisation, increase employee work incentives, and increase the rate of communication flow across the organisation in order to ensure a successful future succession plan.

References

- Adeoye, K. (2004) "Problems in Transferring of Business Experienced by Family Entrepreneurs" *Journal of Small Business Enterprises and Development* 11(1) 130-139.
- Aderonke, J. (2014). Culture Determinants and Family Business Succession in Jos Metropolis, Plateau State Nigeria. *Journal of Emerging Trends in Economics and Management Sciences*, 5(5), 379-390.
- Abdulazeez, Hakeem & Bisayo (2014) Effect of Leadership Styles on Organisation Performance of SMES in Nigeria. *Enterprises Journal of Business and Management* ISSN-1905 (Paper) ISSN 2222-2839 (Online) Vol 5, No 23, 2014
- Armstrong, M. (2006). A Handbook of Human Resource Management, 10th ed. Great Britain Cambridge University.
- Bass, B. (2005) Leadership and Performance Beyond Expectations. New York: The Free Press.
- Bernard. (2013). Family-Owned Businesses- The Backbone of Indian Economy. Retrieved From [Http://www.kpmgfamilbusiness.com/Family-Owned-Businesses-Backbone-IndiasEconomy/](http://www.kpmgfamilbusiness.com/Family-Owned-Businesses-Backbone-IndiasEconomy/)
- Churchill, N. C, And K. J. Hatten. "Non-Market Based Transfers of Wealth and Power: A Research Framework for Family Businesses." *American Journal of Small Business* 12 (1987): 53-66.
- Fiedler, F. E. (1967). A Contingency Model of Leadership Effectiveness. In L. Berkowit (Ed.), *Advances in Experimental Social Psychology*. New York: Academic Press.
- Mcgregor, D. (1960). *The Human Side of Enterprise*. New York

- Judge, T. A. & Piccolo, R. F. (2004). Transformational & Transactional Leadership: A Meta-Analytic Test of Their Relative Validity. *Journal of Applied Psychology*, 89(5): 755-768
- Kotter, J. P. (1996). *Leading Change*. Cambridge: Harvard Business School Press.
- Lorna, C. (2011). Implications for Family-Owned Business Successions: A Multiple Perspectives Review and Suggestions For Further Research.
- Lucky, I. O. E., Minai, M. S. & Isaiah, A. O. (2011). A Conceptual Framework of Family Business Succession: Bane Of Family Business Continuity. *International Journal of Business and Social Science*, 2(18), 106-13.
- Luthar, H. K. (1996). Gender Differences in Evaluation of Performance And Leadership Ability. Autocratic Vs. Democratic Managers *Sex Roles*, 35(5-6), 337-361. [Http://Dx.Doi.Org/10.1007/BF01664773](http://Dx.Doi.Org/10.1007/BF01664773)
- Nicolas M.K. (2015) Effect Of Leadership Styles On Succession Planning In Small And Medium Enterprises in Kenya. MSc Dissertation, Management University of Africa.
- Mahmoud, D. (2005) "Private Sector Development And Poverty Reduction In Nigeria: Mainstreaming The Small Medium Enterprises Sector", The Nigeria Economic Submit Group (NESG) Economic Indicators, Vol. 11, No.1, January - March: Pg 18 - 23.
- Marshall, J., Sorenson, R. Brigham, Rufman, A., Wampler, R., (2006). The Paradox for the Family Firm CEO: Owner Age Relationship to Success Related Process And Plans. *Journal of Business Venturing* 21(3) 348-368.
- Mullins, L. J. (1999). *Management and Organisational Behaviour*. London: Financial Times.
- Musa, B. M. & Semasinghe, D. M. (2014). Leadership Succession Problem: An Examination of Small Family Businesses. *European Journal of Business and Management*, 6(34), 301-306.
- Onuoha, B. C. (2013). Poor Succession Planning By Entrepreneurs: The Bane of Generational Enterprises in South-East, Nigeria. *AFRREV IJAH: An International Journal of Arts and Humanities*, 2(2), 270-281.

- Sorenson, R.L. (2005). The Contribution of Leadership Styles And Practices To Family and Business. *Family Business Review*, 13(3), 183-200.
- Wren, J.T. (2005) *The Leader's Companion: Insights on Leadership Through the Ages*. New York: The Free Press
- Yang, C. W. (2008), The Relationships among Leadership styles, Entrepreneurial Orientation, and Business Performance Managing Global Transitions, 6(3): 257-275.
- Yukl, G. (2002). *Leadership in Organisations*. 5rd Edition. Englewood Cliffs, NJ: Prentice-Hall
- Yukl, G. (2013). *Leadership in Organisations* (7th Ed.). Upper Saddle River, NJ: Prentice Hall.
- Yammarino, F. J. & Dubinsky, A. J. (1994). Transformational Leadership Theory: Using Levels of Analysis To Determine Boundary Condition. *Personnel Psychology*, Vol. 47, Pp.787-811