

## Effect of Management Succession on the Organizational Performance of Small and Medium Scale Business in Nigeria

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**Abstract:** This study examines the effect of management succession on the organizational performance of small and medium scale business in Nigeria. The data used for the study were primarily generated from the three selected organizations, Roban Stores (Nig.) Ltd., New Haven Suit Guest House and Balm of Gilead Pharmacy. The research design adopted in this study was survey. The target population of the study is 250 comprising senior and junior staff of the organizations. Freuds and Williams formula was used to determine the sample size. The key instrument of data collection was questionnaire and oral interview while the questionnaires were structured using 5-point Liket scale. The data were presented using tables and percentages. The conclusion and recommendations were written in line with the findings.

**Key words:** Succession • Management • Business • Organization and performance

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### INTRODUCTION

Worldwide, manufacturing companies such as Ford manufacturing has been a household name in the history of automobile industry. After the death of the owner, Henry Ford, the company did not collapse. As a matter of fact, the company continues to exist despite other automobile companies that surfaced in the market. The same is applicable to Mercedes Benz manufacturing company, which is another household name in the history of automobile. Despite the death of Kerl Benz, the owner, the company continues to exist in the market and not only that but become the most leading and strongest automobile car in the world. In the Nigeria perspective, Concord Newspaper ceased to operate and flourish as information publication after the death of the founder and owner, Chief M.K.O.Abiola. The company virtually collapsed and has not been in existence up till now [1, 2, 3, 4, 5, 6].

Management exist because there are organizations and there must be people to be responsible for the attainment of organizational goals and objectives [7-11]. To realise these objectives, organizations nevertheless continuous to look for qualified personnel to direct their affairs. In order to provide managers as at when

due, to ensure organizational continuity, organization develops people, either by formal training or otherwise, to allow organization to continue in existence, to take over in the event of possible retirement, death, dismissal or change of work place [11], posits that management has a special role to play in an organization. As a rule and a matter of fact, management has its own stake in the organization. Employees also have responsibility in the organization.

Nwachukwu [12], states that the development of management is the development of the organization, for the growth of the organization partly depends on the management as they make vital and useful decisions that affect the organization. [2], supports the view of [12], when he said that human resources is the wealth of the nation. He further stated that over a given period of time, some will retire; some will be elevated to higher positions while other may die or leave the organization.

The future economic prospect of Nigeria lies in the dynamism and growth of both small and medium scale businesses [1]. Experienced all over the world is that small and medium scale businesses constitute a vital engine to economic growth and development, [3] informed that small and medium scale industries are well suited to the factor development of the Nigerian economy.

In [4], small and medium scale entrepreneurs have a unique problem in arranging for the management succession. When a proprietor dies, the heirs may reorganize the business and continue. Of course, some heirs may be untrained and unwilling to continue on the line of business.

**Statement of Problem:** Some small and medium scale businesses do not plan for management succession. This lop-sidedness has affected them negatively in so many areas, such as profitability, employee turnover and untimely death of the organization. They have been recording low profitability as a result of unplanned managerial succession. When the owner/manager dies, the heir or whoever that took over may not have the requisite skill or experience to carry on the operation of the business and this has made them to perform at low level with corresponding low profitability. Furthermore, the rate of employee turnover has gone high as a result of unplanned managerial succession. Even in a situation where there are heirs, their behavioural characters may significantly seem unaccommodating to customers and they will threaten to leave patronizing the organization. Similarly, their relationship with the outside may create unnecessary disharmony.

Finally, as a result of unplanned managerial succession in some small and medium scale business, the management of these businesses, entrepreneurs loose customers' patronage to their competitors thereby reducing their profitability index.

**Objectives of the Study:** The general objective of this study is to examine the effect of management succession on organizational performance of small and medium scale business in Nigeria while the specific objectives sought to:

- Find out how managerial succession affects the profitability of small and medium scale business in Nigeria.
- Assess the extent managerial succession affects the continuity and existence of small and medium scale business in Nigeria.
- Investigate the relationship between managerial succession and employee turnover in Nigeria.
- Determine the extent managerial succession affects market (percentage of total sales) share of small and medium scale business in Nigeria.

**Research Questions:** Based on the objectives of the study, the following research questions were put forward:

- How does managerial succession affect profitability of small and medium scales business in Nigeria?
- To what extent managerial succession affects the continuity and existence of small and medium scale business in Nigeria.
- What is the relationship between managerial succession and employee turnover in organization?
- To what extent managerial succession affects market share of small and medium scale business in Nigeria.

**Research Hypotheses:** Based on the research questions, the following hypotheses were formulated.

**Hypothesis One:**

$H_1$ : Managerial succession positively affects the profitability of small and medium scale business in Nigeria.

**Hypothesis Two:**

$H_2$ : Managerial succession has significant effect on the continuity and existence of small and medium scale business in Nigeria.

**Hypothesis Three:**

$H_3$ : There is a positive relationship between managerial succession and employee turnover in small and medium scale business in Nigeria.

**Hypothesis Four:**

$H_4$ : Managerial succession has significant effect on market share of small and medium scale business in Nigeria.

**Scope of the Study:** The focus of this study is to examine the effect of managerial succession on organizational performance of small and medium scale business with particular emphases on Enugu State. Thee period of coverage is 2014 – 2016.

**Conceptual Framework**

**The Concept of Managerial Succession:** Managerial succession has to do with the management change that occurs due to unforeseen circumstances such as the sudden death of a chief executive of an organization. Moreso, succession planning is an activity that focus on manpower planning such as recruitment and development of employees in order to fill vacant positions of top executive. Collins [4], defines succession planning as a process of providing seemingly less leadership transition across the organization. Also, [ 13] states that strategic, systematic and deliberate effort to develop potential and

competent leaders through learning and educational training. In [14], succession planning is perpetuating the enterprise by fitting the pipeline with high performing people to ensure that every leadership level has an abundance of performers.

[15], asserts that succession planning is co-creation, a transitional stage during which management explores the future. Succession planning is an organized process comprising the identification and preparation of potential successor to assure new role, [16]. [1], stated that the definition is short and compact but is not futuristic and lacks strength when compared with Charan's definition.

**Problems of Management Succession:** In the view of the researcher a good number of factors brings about problems in the succession, some business enterprises, like Enugu State Housing Development Corporation. These factors include:

- Procrastination: By this, the researcher means delay until later time may, if not properly watched, becomes too short to allow orderly and smooth succession. Planning for succession to the top management position should begin almost immediately after the incumbent is appointed. [1] supported this view when he stated that "From the day I was told I was going to be appointed chairman in succession to the former chairman as Managing Director, we started thinking of my succession as well".
- Selection and Development: Selection and development of potential successors to the prime level of any establishment or corporation is a unique and difficult problem, which must be resolved by the establishment or government in the case of public service.
- Fear of Organization Change: Organizations should learn how to change policies of efforts that are in consistent with their strategies. Little wonder then why Drucker argued that obstacles to organizations/corporations or establishments growth are owing to managers inability to change their attitude and behaviour as rapidly as the establishment requires.
- Social Responsibilities of Managers: The need of the society if not attended to can turn into a social problem to the establishment. Thus, managers of all kinds of establishments, particularly those at the top, should discharge their social responsibilities very well since the survival of their establishment to a large extent, is dependent upon successful interaction with all environmental elements.

- Organizational Policies: Internal policies in any establishment can make or mar it. Power struggle and incessant political manoeuvring can draw the land of the chock backwards. Establishment or corporation should avoid it.
- Frequent Replacement of Chief Executives: The collapse of many establishments has been traced to frequent replacement of chief executives thereby bringing in unqualified and inexperienced successors to run the affairs of the organization.
- Experience and Age Distribution: Emphasis should be laid that workers in the key position would have the applicable background of experience and knowledge of the establishment. It is therefore, suggested that the successor of an important top management position should be within forty-five and fifty years of age at the time he moves into the top position. However, [17] was of the view that manager's most productive period is between the ages of forty and sixty years.

**Phase of Time Cycle for Succession Planning:** [18], asserted that the time cycles for succession planning falls into three phases. Emergency replacement planning covers accidents or mishaps to key people. This aspect of planning. If a manager suddenly collapse and dies, the question that may likely to be asked after his death is "who will take his place"? This is where replacement planning should be identified for every person in a key position. The person nominated may be for temporary measure but not necessarily the person that will likely or eventually succeed the outsted manager, but he must be nominated as a stand-in-for a short time. However, he will be functioning until a successor is appointed.

[19], pointed out that the essential requirements for someone chosen as a replacement are that the person will be familiar with the work of the manager now doing the work, kept informed of the department's progress; able to take over at short notice.

**Short Term Planning:** Ideally, replacement plan is concerned with making sure that there is adequate temporary cover in situation of emergencies. Short-term planning is concerned with the process of filling trained managers for a short period of time. For example, the sales manager of a division may be due to retire in two years time. It is important that steps be taken to start finding his successor and grooming him to take over. Undoubtedly, unless a start is made in good time, some aspects of the work may get skimped. From the forgoing therefore, the following steps are needed to be taken;

- A job description for the said management post should be prepared,
- A suitable specification is drawn.
- Management development records are searched to identify possible candidates including those who are not *yet* quite ready who could be before the appointment is made.
- A short list is prepared and the candidates are interviewed and a selection is made,
- The selected candidate should be prepared for his new appointment and this might include, A period of formal off-job training.

[5], pointed out "short-term planning is considered with the final stage of enabling a specific<sup>1</sup> person to fit into a specific job". This process can take longer than most people realize and it is sensible to keep any appointment likely to occur within the coming two years under review and to start putting short term plans into action once the date for the changes come within two year span.

[1], supported this view when he said, "From the day I was told that I was going to be appointed chairman in succession to the former chairman and managing director, we started thinking of my successor as well". I meant that there was very little to think of who or who should be my successor and if we picked somebody, we have to give him necessary development.

**Long-Term Resource Planning:** The long-term planning has to be much more general. It is possible to predict the number<sup>1</sup> of vacancies likely to occur due to retirement, retrenchment, dismissal, staff turnover and other forms of wastage arid, from new business plan. This may well turn out to be different from the real needs when they arise. Some of the managers that are included in the management development scheme may leave. It is a nice judgment to decide whether to have a few people in the pipeline or to rely upon external recruitment for any short fall. Owing to the uncertainty, long-term planning tends to be concerned more with preparing group of people to perform a range of job but with the available option becoming more restricted at the higher levels.

[7], contributed greatly to the subject in two of his books. Whole agreeing to the fact that there ought to be a systematic way of making available those who are going to manage the affairs of the organization in the future. He entirely disagreed on any rigid method of development. He argued that managers' development and management are riot promotional, planning, replacement

planning or finding potential. He contended that the worse thing an organization/corporation can do is to try to develop the new comers and leave out the others. His major reason being that ten years after such a decision, the organization or establishment will perform with those left out.

Accordingly, the eight men out of every ten who were not included in the programme will understandably feel slighted. They may therefore become less effective, less productive, less willing to do new things than they were before. The implication of management is that every individual is given the opportunity of special development. Drucker also strictly criticized the idea of finding potentials for top management job. The idea of finding potentials, he says is based on promise as opposed to performance, which is what matters in the long run. Fie is also against the idea of planning for replacement by searching for a crown prince. According to him, a crown prince either has legal right to succeed or else nomination is likely to destroy him. No matter how carefully concealed, picking a crown prince is an overt act, which the whole organization very rapidly perceives. Then all the other possible contenders unite against the down and they usually succeed. What Drucker is saying of is that people are treated in a most benefiting manner to the disadvantage of assuming responsibility in the top positions.

**Preparation of the Successor:** A critical part of the succession process concerns the grooming of the successor [8]. As stated earlier, experience and grooming can decrease the likelihood of failure when one generation succeeds the next. Yet, research seems to show that very few successors are explicitly identified and fewers are prepared in advance to assume the founder's mantel. Majority of the literature in this area appears to focus on two things: competence and legitimacy. Competence refers to operational know-how, while legitimacy deals with relational skills. The study by [3] indicates that 90% of executives interviewed advocate a succession strategy in which a newcomer earns credibility by gaining the necessary experience to do the job better than anyone else. There are two ways for the successor to earn legitimacy. One is to start from the bottom of the company *and* accumulate actual experience by working up to the corporate ladder. The other is to obtain substantial external experience before joining the company. Furthermore, the substance of a successor's experience may also make a difference to his or her legitimacy. For example, it was found that different functional experience

in members of the top management team have implications on corporate performance. Although that study was targeted at large corporations, one could surmise similar patterns in family firms. However, despite expert opinion on the necessity of external experience, recent empirical study by [6] revealed that CEOs in family firms do not consider prior experience to be an important form of preparation. Another study found the "duo" mode of top management succession the most common. Here, two top-level executives, a chairman and a CEO, share power, with the latter eventually succeeding the former. Such a structure implies that the legitimacy of the successor is partly derived from the successor's prior position as second-in-command

It is also from the position of second-in-command that the chosen heir is more likely to be involved in strategic planning, an experience considered critical for success [7]. The study by [5], however, finds that unlike non family-related CEOs, family-related CEOs rate this particular task among the least important of preparations for the successor, possibly because of their preference for maintaining rigid and personal control over the direction of the business during their tenures. The most significant finding in [7] is that family-related CEOs placed more emphasis on their successors' "managing relations with customers and vendors" and "managing relations with stockholders and lenders" than their non family-related counterparts. Thus, they prefer a more direct and internally oriented approach by their successors in preparing for the CEO role, one that emphasizes building strong personal relationships among the stakeholders.

**Concept of Employee Turnover:** Employee turnover refers to the number of percentage of workers who leave an organization and are replaced by new employees. Measuring employee turnover can be helpful to employers that want to examine reason for turnover or estimate the cost to hire, for budget purpose. There are four types of turnovers: voluntary is the first type of turnover, which occurs when an employee voluntarily chooses to resign from the organization. Voluntary turnover could be the result of a more appealing job offer, staff conflict, or lack of advancement opportunities.

The second type of turnover is involuntary, which occurs when the employer makes the decision to discharge an employee and the employee unwillingly leaves his or her position. Involuntary turnover could be as a result of poor performance, staff conflict, the at-will employment clause etc.

The third type of turnover is functional, which occurs when a low-performing employee leaves the organization. Functional turnover reduces the amount of paperwork that a company must file in order to rid itself of a low-performing employee.

The fourth type of turnover can be potentially costly to an organization and could be the result of a more appealing job offer or lack of opportunities in career advancement.

**Concept of Profitability:** Profitability is the ability of a business to earn a profit. A profit is what is left of the revenue which the business generates after it pays all expenses directly related to the generation of the revenue<sup>^</sup> such as a producing product and other expenses related to the conduct of the business activities. There are many different ways to analyze profitability. They include:

- Net profit margin which is giving by the formula net income divided by net sales times 100.
- Gross profit margin which measures the cost of production. The formula is gross profit divided by net sales times 100.
- Operating margin, tells you how much costs unrelated to producing the product for sales are cutting into profits. Costs unrelated to production can include such things as general business, staff and administrative expenses of the business.
- Return on Assets measures how effectively and efficiently you are using your business assets to generate profit.

**Concept of Market Share:** Market share is the percentage of a market (defined in terms of either units or revenue) accounted for by a specific entity. Increasing market share is one of the most important objectives of business. The main advantage of using market share as a measure of business performance is that it is less dependent upon macro environmental variables, such as the state of the economy or changes in tax policy. Market share is said to be a key indicator of market competitiveness that is, how well a firm is doing against its competitors.

**Concept of Organization:** Organization can be defined as two or more people who work together in a structured way to achieve a specific goal or set of goals [9]. It is the combination of people or individual effort working together in pursuit of certain common purposes called organizational goals [10]. A modern theory definition of

an organization is that an organization is a structured process in which individuals interact for objectives [14]. An organization can also be defined as a social entity that has a collective goal and is linked to an external environment.

**Classification of Small and Medium Scale Business:** As earlier stated, small and medium enterprises have not any clear-cut definition, because they vary from one country economy to another. However, according to [6], some of the main criteria used to classify these businesses include:

**According to Initial Capital Outlay:** Here, according to the third national development plan (2015), small and medium were classified as any industry with one hundred and fifty thousand naira and two hundred and fifty thousand naira and above.

**Concept of Organizational Performance:** Performance can be defined as the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost and speed. Seashore [8], performance is the ability to exploit the enterprise environment and scarce resources to purchase its essential function. The criteria for assessing performance are: turnover production costs, productivity, growth, important management, market penetration. Firm performance is a concept whose dimensions have changed with the growing competitiveness and complexity of the economic environment in which business operates.

**Effect of Managerial Succession on Profitability of Small and Medium Scale Business:** Most at times, the process of managerial succession in small and medium scale businesses are not planned. Some of them are as a result of the death of the owner, or the owner being inactive due to old age or disability. This phenomenon has affected the profitability of small and medium scale business for the successor does not have the necessary experience in the business, the profit level of the business will be adversely affected.

Managerial experience is not something one can gather in a very short period. It is a process and successors of small and medium scale business that do have the requisite skill and experience to bring the business to a profitable level. Moreso, the successors in small and medium scale businesses may not be prudent with money. This can equally affect the profitability of the organization.

**Relationship Between Management Succession and Employee Turnover:** One of the factors responsible for lower turnover in small and medium scale business between the management and the employees is that in the demise of the owner of the business, the successor may not know how to relate with the employees and this may eventually lead to loss of workers of organization. Referring to [10], human relationship is very critical to the success of small and medium scale business. Many successors of this business have lost their employees as a result of not maintaining the cordial relationship with the employees.

**Effect of Managerial Succession on Patronization of Products of Business:** We are living in a competitive world and many successors of small and medium scale businesses have recorded low patronization of their goods as a result of, riot planning managerial successor. If management: succession is not well planned, it affects patronization of the goods of small and medium scale business. This is evidenced when a successor does not have the experience on propelling the products to compete favourably in the market.

**Theoretical Framework of the Study:** A lot of theories have been propounded in relation to small and medium scale business but the theories that anchored on the study are stated below:

**Relay Succession Planning Model:** Santorin [11] came up with the first succession model, which is referred to as "Relay Succession Planning". In this model, he advocates that current chief executive of an organization should pass the baton to a successor over a long period of time. The impact of companies practising this model is being evaluated in Saritorin's research compared with organizations that do not have such plans in place. However, it is recorded that organizations that practise relay succession plans performed better because the successors were exposed to corporate challenges and were able to deal with such challenges in the pre-successor phase.

**Scharmer's Theory U Model:** [13], came up with the second succession model which is referred to as "Scharmer's Theory U Model". Scharmer argues that the Top Management Team should embrace and act in order to implement succession planning. In the first instance, this model views succession planning as beginning from the immediate future and supports a concept of a U

process of five movements that can make change possible, [13]. These movements are in the words of Scharmer:

**Empirical Review:** In a study carried out by [16] on the effect of management succession, on the profitability of small and medium scale business, the study was conducted in Lagos among twenty-five (25) small and medium scale businesses that have recorded management succession. The research method used was the survey research and the questionnaire was the major instrument of data collection. It was found out that management succession has a huge impact on the profitability of small and medium scale business.

In another study conducted by [10] on the relationship between management succession and employee turnover, the study was conducted in Enugu, using the survey research method. Fifteen (15) small and medium scale businesses that had recorded management succession were used and it was found out that management succession has a significant relationship with employee turnover.

Further study carried out by [4] in Enugu on the extent managerial succession affects the continuity and existence of small and medium scale businesses, the research method applied was survey method. He used twenty one (21) small and medium scale business that have recorded continuity and existence in managerial succession. At the end of the study, it was found that the managerial succession has significant effect on the business continuity and existence.

Finally, in a similar study conducted by Ademola [4] on the effect of management succession on market share of small scale business, the research method used was the survey research using twenty (20) small and medium scale businesses that have recorded managerial succession in Lagos. It was found out that managerial succession has a significant effect on the potentization of the product of these businesses.

**Historical Background of the Organization:** The three selected small and medium scale business in Enugu State were established in quick succession. Roban Stores is located at Bisalla Road, Independence Layout quite close to the government House and New Haven Suite Guest is located along Enugu-Abakaliki express road while Balm of Gilead Pharmacy is located at Awkuzu Street, Uwani, Enugu. The company deals on sale of pharmaceutical drugs.

**MATERIALS AND METHODS**

Descriptive survey research deign was used for this study. Data were collected through questionnaire distribution. The study was carried out in Enugu. The population consisted of the staff of the three business enterprises, Roban Stores, New Haven Suit Guest House and Balm of Gilead Pharmacy, numbering two hundred and fifty (250). Applying purposive and convenient sampling technique, a total of one hundred and ten (110) staff were selected for the study.

The major instrument for data collection was questionnaire which contained questions based on the research questions. The content validity of the questionnaire was validated by university academic experts.

The data were presented in tables and percentages. In analysing the data, simple techniques of frequency and percentages were used.

**Data Presentation and Analysis:** The data collected from the respondents are hereby presented and analysed below.

Respondents Distribution			
S/N	Enterprises	Frequency	Percentage
1.	Roban Stores	180	72
2.	New Haven Suit Guest House	50	20
3.	Balm of Gilead Pharmacy	20	8
Total		250	100

Table 1: A careful and planned management succession has significant effect on the profitability of small and medium scale enterprises.

S/N	Opinion	Frequency	Percentage
1.	Agreed	30	27.27
2.	Strongly Agreed	20	18.18
3.	Disagreed	25	22.73
4.	Strongly Disagreed	22	20
5.	Undecided	13	11.82
Total		110	100

Source: Field Study, 2014

In Table 2, it was inferred that planned management succession has significant effect on profitability of small and medium scale business, of a total of 30 respondents representing 27.27% in agreement.

With respect to Table 3, the organizational labour turnover was as a result of unplanned management succession with a proof of 25(31.82%) respondents that strongly agreed to that statement.

Table 2: Labour turnover in the organizations is as a result of unplanned management succession

S/N	Opinion	Frequency	Percentage
1.	Agreed	15	13.64
2.	Strongly Agreed	25	31.82
3.	Disagreed	21	19.09
4.	Strongly Disagreed	22	21.82
5.	Undecided	15	13.64
	Total	110	100

Source: Field Study, 2014

Table 3: Management succession does not have effect on market shares

S/N	Opinion	Frequency	Percentage
1.	Agreed	16	14.55
2.	Strongly Agreed	18	16.36
3.	Disagreed	23	20.19
4.	Strongly Disagreed	37	33.64
5.	Undecided	16	14.55
	Total	110	100

Source: Field Study, 2014

Table 4: Change of managerial position has no effect on business continuity and existence

S/N	Opinion	Frequency	Percentage
1.	Agreed	23	20.19
2.	Strongly Agreed	38	34.55
3.	Disagreed	19	17.27
4.	Strongly Disagreed	17	15.45
5.	Undecided	13	11.82
	Total	110	100

Source: Field Study, 2014

In Table 4, on whether management succession does not have effect on market shares, it was concluded that management succession does not have effect on market shares based on the fact that 37(33.64%) respondents affirmed to that.

Regarding Table 5, it was noted that 38(34.55%) respondents were of the opinion that change of managerial position does not any way have effecton the continuity and existence of the organization.

### Test of Hypotheses:

*H<sub>0</sub>*: Management succession has no effect on profitability of small and medium scale business.

Fo	Fe	df	Level of Significant	P. value	Cal. Value	Decision
130	92.8	2	0.05	5.99	14.9	Rejected

Source: Author's Computations, 2014

Since the P. value of  $X^2$  (5.99) is less than the computed value (14.9), the hypothesis has no significant effect and is therefore rejected.

*H<sub>0</sub>*: Labour Turnover in the organization is not as a result of unplanned Management succession.

Fo	fe	df	Level of Significant	P. value	Cal. Value	Decision
153	92.8	2	0.05	5.99	39.1	Rejected

Source: Author's Computations, 2014.

The computed  $X^2$  value (39.1) is greater than the probability value (P. value) which is 5.99, the null hypotheses is rejected because labour turnover has nothing to do with unplanned management succession.

*H<sub>0</sub>*: Management succession has no effect on market shares.

Fo	fe	df	Level of Significant	P. value	Cal. Value	Decision
125	92.8	2	0.05	5.99	22.5	Rejected

Source: Author’s Computations, 2014.

The result shows that P-value (5.99) is less than the computed value of  $\chi^2$  (22.5). Based on this, the null is therefore, rejected.

*H<sub>0</sub>*: Managerial position has no effect on continuity and existence.

Fo	Fe	df	Level of Significant	P. value	Cal. Value	Decision
120	92.6	2	0.05	5.99	22.1	Rejected

Source: Author’s Computations, 2014.

On whether managerial position has no effect on business continuity and existence, the research shows that the table P. value of 5.99 is less than the computed/calculated value of 22.1, the null hypothesis is rejected.

**RESULTS AND DISCUSSION**

Research question 1 which seeks to find out the extent to which managerial succession affects profitability of small and medium scale business, the result of the first null hypothesis tested indicates that management succession affected small and medium scale business in Enugu State. This result confers with that made by [4] who reported that management succession should be planned carefully to avoid loss of profit in organizations. It equally agrees with that of [15] who asserted that management succession should be made between two to three years before management succession falls due, to alleviate the suffering of organization.

Research question 2 intends to find out the extent management succession affects the continuity and existence of small and medium scale business, the result of the second null hypothesis shows that managerial succession has significant implication on the continuity and existence of small and medium scale business. This result aligned with the report of [16] who stated that vacant positions should be filled with qualified and experienced chief executive to maintain continuity. Similarly, [4] found the basis for successful managerial change.

Research question 3 that addresses the relationship between managerial succession and employee turnover in organizations. The test of hypothesis carried out indicated that employee turnover has no significant relationship with managerial succession. This result is

supported by [2] who stated that employees have the right to leave an organization at their own discretion without any given reason. In another report by [4], was of the view that as employment opportunity occurs, one has the privilege to shift to a better offering job.

Research question 4 that seeks to find out the extent managerial succession affects market shares, the result obtained on the hypothesis testing indicated that managerial succession has effect on market shares. This result collaborates with [17] both reported that change of management position does not indicate any problem in market shares. Both reported that very often market share transactions have consistently been going on.

**CONCUSSION**

Management succession has been designed to shoot-off lapses in the organizations and restore continuity, progress and development. Some organizations have been bound up following continuous retention of unqualified and inexperienced chief executives on seat. Based on the research findings, it can be concluded that management succession should be the ideal thing to save some organizations but should be carefully and strategically planned to disallow flaws.

**Recommendations:**

- Organization should make the hair shine by planning very well and ahead of managerial succession.
- Position to be filled should be of qualified and experienced personnel or chief executives.
- There should be formal training on the job for any officer to be appointed so as to acquaint him with the organizational structure.

- Employees should strive to work harmoniously with the new change in order to achieve the objectives of the organization.
- There should be cordial relationship between the management team and the employees.
- Employee motivation should be of paramount importance to exit from labour turnover

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