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Succession Management and Sustainability Of Selected Small And Medium Scale Enterprises (SMES) In Ogun State, Nigeria

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ABSTRACT

Succession management is essential for ensuring the long-term sustainability of Small and Medium Enterprises (SMEs), particularly in dynamic economic environments such as Ogun State, Nigeria. This study examined the effect of succession management, specifically career development, job rotation, and coaching, on SME sustainability, with a focus on business continuity, firm growth, and competitive advantage. The survey research design targeted SME owners, managers, and supervisors operating in Abeokuta and Ota. A total of 261 questionnaires were distributed, and 243 valid responses were analyzed using multiple regression through SPSS. Findings revealed that career development has a significant and positive effect on business continuity, confirming that structured talent development and internal promotions reduce disruptions during leadership transitions. Job rotation was also found to significantly influence firm growth, indicating that exposing staff to multiple roles enhances innovation, process understanding, and adaptability. Furthermore, coaching had a significant effect on competitive advantage, demonstrating that regular mentoring and leadership support contribute to strategic strength and long-term market relevance. The study concludes that succession management is a strategic imperative for SME sustainability and recommends that SME stakeholders in Ogun State integrate succession planning into their core operations, adopt rotational staff development practices, and promote coaching culture to build resilient leadership pipelines and ensure sustained performance in a competitive business landscape.

Keywords: Succession Management, Sustainability, SMEs, Career Development, Job Rotation, Coaching, Ogun State

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1. INTRODUCTION

SMEs have an important role to play in monetary reform in Nigeria. They contribute significantly to business technology, profit creation, innovation, and neighborhood economic interests. Small and medium enterprises in Ogun State operate in several sectors including manufacturing, agriculture, services, trade and barter.

Despite their importance, many of these companies are still enabled by poor leadership structures, limited succession planning, and dominated by a small pool of founding owners or key people. Succession management is designed to identify, develop and prepare employees to take on critical management and operational roles Succession management is especially important for small and medium-sized businesses because these companies often lack the formal staffing structures observed in large groups and thus have random transfers of expertise, they may rely heavily on their family connections, or emergency exchanges during vacuums. Such technology is often not enough to sustain business operations over the years. Career development, business transformation, and training are therefore important succession tools that can help SMEs build internal capacity and assemble future leaders.

Career development creates opportunities for employees to develop professionally, and includes the collection of desirable talents for development. Job rotation allows for-profit employees to enjoy a type of positions or departments, expanding their information in the company. The program provides hands-on, feedback, and assistance to help expand employee leadership skills and confidence. Together, these practices do not contribute more effectively to successor preparedness and yet additionally to broader sustainability effects with business continuity, corporate revitalization, and aggressive profitability. The sustainability of SMEs is by no means a countable number for survival within the market; It includes the ability to stay active, progressively develop, and maintain a competitive edge over time. This study therefore examines how succession management practices affect the sustainability of selected SMEs in Ogun State, Nigeria.

1.1 Statement of the Problem

Many SMEs in Nigeria face prolonged and demanding situations related to leadership turnover. These organizations are often founded by a ship or a small firm of family sponsors, with little interest in organized succession planning When the founding leader leaves the business firm there may be confusion, reduced productivity, employee turnover or even collapse altogether the behavior is informal or reactive. While previous studies recognized succession monitoring as critical to organizational resilience and sustainability, there is a lack of empirical evidence on how specific succession practices such as career development, job rotation, training, and so on. Policymakers are also limited in their ability to make preferably informed choices of leadership development in SMEs This perspective addresses that gap through an empirical study of the impact of succession control on SME sustainability in Ogun State.

2. LITERATURE REVIEW

Succession control has ended up being a relevant issue in the sustainability of SMEs, especially in emerging economies, where business firm structures are usually informal and leadership is concentrated within the palms of the founders. Turnover control, in this case, refers to the deliberate process of identifying, growing, and preparing employees to anticipate key management and operational positions having vacancies It is more important in SMEs, as many of those companies rely heavily on a small or select group of owners. Scholars emphasize that succession monitoring is not best understood as an HR characteristic yet additionally as a strategic tool for organizational continuity and long-term performance (Alabi & Afolayan, 2023; Nwankwo & Musa, 2023).
Career development is one of the most important adjuncts to succession monitoring. It involves

deliberate organizational efforts to help employees accumulate, uncover, and enjoy skills desired for their destiny development. SME career development helps retain employees, strengthens internal skills pipelines, and ensures companies have competent people ready to take on leadership responsibilities. the retail organization because it reduces the need for external emergency assistance when important employees leave the organization (Tanimu & Salawu, 2023). This is especially important in SMEs, where the cost of hiring and the potential for a terrible fit can be at full scale. Career development by building internal skills over the years allows organizational knowledge to be retained and contributes to smooth leadership transitions.

Job rotation is another succession control practice that supports the sustainability of SMEs. It refers to the deliberate movement of employees into one type of role, tool, or specialty so that you can gather broader knowledge about the organization. This practice is valuable because it increases employee flexibility and exposes workers to more than one aspect of business operations. In small and medium-sized companies, where the number of employees is generally lean and employees often do more than one trait, process change can strengthen adaptability and reduce overdependence on certain people (Iwu & Nwachukwu, 2022). Business transformation from a succession perspective prepares the workforce for future leadership by ensuring that it understands how the various elements of the business enterprise operate Such broad skills make the transition much less disruptive and promote organizational growth.

Training in compliance supervision is equally important because it provides a personalized approach as well as employee development. Unlike traditional programs, the program includes direct guidance, commentary, encouragement, and assistance from experienced leaders or managers. It allows for the transfer of tacit information that is often difficult to capture through formal manuals or program applications. In their family-owned or founder-led SMEs, many of the firm's strategic disclosures are within the pleasure of the owners. Training facilitates the transmission of that expertise to new leaders and prepares them to make complex decisions within eternity (Onyema & Yusuf, 2023). It also improves employee communication, confidence, and problem-solving skills. In this way, training becomes a viable mechanism for strengthening management leadership and improving the strategic preparedness of the organization.

The sustainability of SMEs is generally assessed through indicators such as business enterprise continuity, enterprise growth and competitiveness. Business continuity, in turn, refers to the ability of a company to sustain operations despite internal and external disruptions. Strong growth reflects expansion in sales, market share, or operating capability. Competitive advantage refers to the ability of a firm to outperform its competitors through superior capabilities or price discounting. Successor leadership affects such outcomes because leadership continuity and workforce readiness are critical to maintaining stability and overall performance in uncertain environments. In the context of Nigeria, where SMEs face several operational challenges including fragile infrastructure, policy volatility, and intense competition, succession management can serve as a key survival strategy (Egbunike & Adegbola, 2022; Adebayo & Oye, 2023).

The gift overview is anchored in the resource-based view (RBV), which argues that firms gain sustainable competitive advantage by owning valuable, unusual, exemplary, and beautifully organized resources In this context, human capital is one of the most strategic resources. Succession management strengthens human capital by ensuring that employees are internally developed and organized into destiny roles. This makes the employer much less dependent on external effort markets and more able to maintain performance through internal efficiency. The RBV angle thus aids the argument that career development, business transformation, and training are not merely administrative practices, but strategic investments that help SMEs build long-term internal sources (Barney, 1991; Adekunle & Ojo, 2022).

Previous empirical studies on turnover and overall performance of SMEs in Nigeria and similar contexts have reported mixed but generally phenomenal associations between management reform practices and organizational outcomes. For example, Alabi and Afolayan (2023) found that founder exit often accelerates corporate demise in the absence of a formal succession plan. Similarly, Nwankwo and Musa (2023) found that leadership turnover in SMEs is associated with short-term performance falls unless there are structured talent pipelines Tanim and Salawu (2023) stated that clean careers significantly improve employee engagement in Nigerian and SME medium-sized companies. Iwu and Nwachukwu (2022) tested that job turnover is positively correlated with innovation performance in small firms.

Onyema and Yusuf (2023) highlighted mentorship as an important mechanism for the transfer of tacit strategic knowledge in founder-led firms. Taken together, those studies underscore the importance of planned succession practices, yet they often look at outcomes broadly or in different geographical contexts especially studies focusing on how succession management affects the sustainability of SMEs in Ogun State are still lacking. This is a view that fills that gap by empirically assessing the consequences of professional development, business transformation, and training on business continuity, organizational growth, and competitive advantage.

3. METHODOLOGY

This study considered the exploratory research design adopted to investigate the impact of succession management on sustainability of selected SMEs in Ogun State, Nigeria, as it allows the researcher to collect data from a very large variety of respondents that will provide an explanation of the relationship between organizational practices and external manipulation. The population of Look Eight consisted of owners, managers and supervisors of SMEs operating in Abeokuta and Ota, the two major industrial hubs of Ogun State. These locations are chosen because they house a variety of companies in areas such as manufacturing, retail, agribusiness and tenders.

Respondents were selected because of their understanding of organizational operations and their ability to provide knowledgeable responses to succession management practices and sustainability impacts. The common purpose sample use of 261 questionnaires was allocated, and 243 valid responses were retrieved and analyzed. This response rate was considered good enough for statistical analysis and consistent with the requirements of social technology knowledge research. The survey instrument was transformed into an established questionnaire adapted according to the study objectives and the reviewed literature.

The questionnaire had 3 major parts. Section A contained demographic data including the respondent's gender, role, region, and years in the company. Part B measured independent variables, specifically professional development, job transition, and training. Part C measured the structured variables, specifically the continuity of the retail firm, the boom of the firm, and the competitive advantage. All items were measured using a five-point Likert scale ranging from strongly disagree to strongly agree. The use of a Likert scale allowed the quantification of respondents' perceptions and the assessment of levels of accommodation.

To achieve determinate validity, the instrument was subjected to face content validation with the help of professionals in industrial business management and human resources supervision, whose comments helped to refine the wording of items, enhance readability, and appropriately capture constructs of the instrument. Reliability assessed the use of Cronbach's alpha to determine modified internal consistency. Reliability results indicated that the dimensional items were sufficiently consistent for use within have a look at. This led to the belief that the tool may want to measure successor and sustainability variables in a reliable way within SMEs. Data collection was carried out by direct administration of questionnaires to respondents within the selected occupations. Prior to participation, respondents are often informed of the reason for a gaze and the belief that their responses can be handled confidentially. Participation was voluntary, and no respondents were pressured to provide statistics. This ethical approach favored honest and informed responses. in addition, ensured that the view of complied with general academic research requirements.

The obtained data are analyzed using both descriptive and inferential statistics. Descriptive analysis was used to summarize the demographic characteristics of the respondents and to explain the general pattern of responses. Heuristic evaluation was completed using multiple regression. This statistical method came in handy because it allowed the researchers to determine the extent to which career development, process change, and training jointly caused and, in my opinion, the extent to which it caused sustainability indicators. A regression model was fixed to test the hypotheses formulated for the observation. Null hypotheses were rejected where the p-value was much less than 0.05, indicating statistical significance. Data evaluation was done by processing SPSS, which is widely used in behavioral control research for regression estimation and publication testing.

4. RESULTS AND DISCUSSION

4.1 Descriptive Findings

Of the 243 valid responses, the majority of respondents were owners or senior managers (62%), followed by supervisors (28%) and other managerial staff (10%). Respondents operated across manufacturing (34%), retail and trade (29%), agribusiness (21%), and services (16%). The average business tenure was 9.4 years (SD = 5.2), and most firms employed between 11 and 50 staff (63%), with 27% employing 51–100 staff and 10% employing fewer than 10 staff. These characteristics indicate a representative sample of mid-sized SMEs operating in Abeokuta and Ota.

4.2 Regression Results and Hypothesis Testing

Multiple regression analysis was conducted to assess the influence of career development, job rotation, and coaching on the three sustainability outcomes. For clarity, the models were estimated separately for each dependent variable: business continuity (Model 1), firm growth (Model 2), and competitive advantage (Model 3). All models included the three independent variables simultaneously to assess unique effects while controlling for the others.

Model 1: Career Development and Business Continuity

The regression model predicting business continuity was statistically significant, $F(3, 239) = 28.74$, $p < .001$, $R^2 = .265$. Career development emerged as a significant positive predictor ($\beta = .412$, $p < .001$), supporting the rejection of H01. Job rotation ($\beta = .118$, $p = .067$) and coaching ($\beta = .094$, $p = .112$) were not significant predictors of business continuity in this model. This finding implies that structured employee development opportunities and internal promotion pathways are the primary mechanisms through which SMEs maintain operations during leadership transitions. The result is consistent with the view that internal talent development supports organizational stability and reduces dependence on external recruitment (Tanimu & Salawu, 2023).

Model 2: Job Rotation and Firm Growth

The model predicting firm growth was also statistically significant, $F(3, 239) = 22.16$, $p < .001$, $R^2 = .217$. Job rotation was a significant positive predictor ($\beta = .389$, $p < .001$), leading to the rejection of H02. Career development ($\beta = .214$, $p = .012$) was also significant but with a smaller effect, while coaching ($\beta = .076$, $p = .234$) was not significant for firm growth. This suggests that exposing employees to different roles and responsibilities improves their competence, adaptability, and understanding of the business, thereby enhancing growth capacity. In SMEs, where staffing is often limited, such flexibility is especially valuable because it enables the organization to respond more effectively to operational demands. The result supports the argument that job rotation builds versatility and enhances organizational learning (Iwu & Nwachukwu, 2022).

Model 3: Coaching and Competitive Advantage

The model predicting competitive advantage was statistically significant, $F(3, 239) = 19.43$, $p < .001$, $R^2 = .196$. Coaching emerged as the strongest significant predictor ($\beta = .427$, $p < .001$), leading to the rejection of H03. Career development ($\beta = .183$, $p = .021$) was also significant, while job rotation ($\beta = .092$, $p = .145$) was not significant for competitive advantage. This indicates that regular mentoring and guidance help employees develop the knowledge and confidence required to support strategic performance. In founder-led SMEs, coaching is especially useful because it facilitates the transfer of tacit knowledge from experienced leaders to emerging managers. This contributes to stronger internal capability and improved market positioning (Onyema & Yusuf, 2023).

4.3 Result Visualization

Outcome Variable	Predictor	β	SE	t	p
Business Continuity	Career Development	.412	.067	6.15	<.001
	Job Rotation	.118	.064	1.84	.067
	Coaching	.094	.059	1.59	.112
Firm Growth	Job Rotation	.389	.063	6.17	<.001
	Career Development	.214	.085	2.52	.012
	Coaching	.076	.064	1.19	.234
Competitive Advantage	Coaching	.427	.061	7.00	<.001
	Career Development	.183	.079	2.32	.021
	Job Rotation	.092	.063	1.46	.145

4.4 Discussion of Findings

Luc et's findings show that successor leadership has a tremendous impact on the sustainability of SMEs in Ogun State. Career management was changed to be positioned to have tremendous quality influence on the continuation of business activities. This means that SMEs that offer grounded job development opportunities are better able to maintain operations when management adjustments occur. The result is consistent that improving internal capabilities helps with organizational balance and reduces reliance on external recruitment. Job changes additionally changed definitely affect the boom strongly. This suggests that exposing employees to exclusive roles and duties improves their competence, adaptability, and understanding of the business. In SMEs, where the number of employees is highly limited, such flexibility is particularly valuable because it allows the firm to respond to operational needs more effectively the result supports the argument that activity rotation creates diversity and enhances organizational cohesion.

The coach is determined to have a big positive impact on the attacking advantage. This suggests that regular guidance and control help employees expand the expertise and confidence needed to aid strategic overall performance. Training is especially useful in founder-led SMEs because it facilitates the transfer of tacit understanding from skilled managers to new managers. This contributes to better internal capacity and a progressive market position. These findings are consistent with the resource-based view, which emphasizes the importance of internal resources in maintaining overall performance. Career development, job rotation, and training all represent mechanisms through which SMEs can create valuable and hard-to-imitate human capital. As a result of the test, it is confirmed as a success. The study therefore confirms that succession management is not simply a personnel matter but a strategic driver of long-term sustainability.

5. CONCLUSION

Look at findings that successor leadership is an important determinant of sustainability decisions of SMEs in Ogun State, Nigeria. Career improvement, process change, and training each contribute comprehensively to business continuity, corporate upside, and aggressive profitability. SMEs that consciously invest in these practices are much more likely to sustain their leadership transition, adapt to environmental scrutiny, and remain competitive over the years.

5.1 Recommendations

Based on the findings, the following recommendations are made:

i. SME owners and managers should institutionalize career development programs for employees to prepare them for future leadership responsibilities.
ii. Job rotation should be adopted as a regular practice to broaden employee experience and strengthen operational flexibility.
iii. Coaching should be made part of the leadership development process to transfer knowledge and build confidence among future successors.
iv. Policymakers and SME support agencies in Ogun State should organize awareness programs and training on succession planning.
v. SME owners should reduce excessive centralization of authority and gradually delegate responsibilities to developing employees.
vi. Key organizational processes should be documented to preserve institutional knowledge and support smooth leadership transitions.
vii. Future succession plans should be tailored to the specific size, sector, and structure of each SME.

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