



Strategic Influence of Mentoring on the Succession and Sustainability of Family Business

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ABSTRACT

The study examines the challenges behind the succession and sustainability of family businesses. Mentoring was identified as the means to tackle this menace. The study was conducted in Ogbomoso, Nigeria. Eight family businesses were selected through purposive sampling method. The inclusion criteria were operational family businesses in their second or more generation. Data were collected using fifteen semi structured, in depth, face to face interviews with participants. Sampling continue until saturation of the data was reached. Content analysis approach was applied to analyse the data. Family business successors acknowledged mentoring shaped their emergence as the successor of their family businesses.

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Introduction

Sustainability of family entrepreneurial businesses beyond the founders and immediate generation of the founders becomes imperative not only because of the future benefits to the owners but also the economic benefit to the society and country at large. Succession is one of the hardest decisions a family business can make but also one of the most important. Developing effective succession plan is critical considering the inevitable changes occasioned by demographic, political, technology and economic trends. Succession means having a plan and implementing plans to create positive and coordinated flows of leadership, across business operations (Hargreaves and Fink 2006). Sweeney (2013) viewed succession as the process of preparing to hand over control of the business to others in a way that is least disruptive to the business operation and values. Succession entails a decision process of how and when the management, ownership and control of the business will be transferred to subsequent owners or managers (Estedadi, Shahhoseini and Hamidi 2015). These views imply that succession is about the survival and sustainability of the business future.

Nurturing and acquiring a good successor in a family business requires strategic and deliberate actions part of which mentoring becomes essential. Mentoring help ensures the right people are in the right places at the right time with the required skills. Mentoring occurs when a more experienced, senior employee (mentor) takes an active interest in supporting and encouraging a less experienced junior employee by providing direction and feedback regarding career plans and personal development (Allen, Eby, Poteet, Lentz, & Lima, 2004 ; Eby, Allen, Evans, Ng, & Dubois, 2008 ; Kram, 1988; Ragins & Kram, 2007). Mentoring addresses different activities such as supporting, teaching, encouraging, challenging, counselling, affirming,

coaching, advising, protecting, sponsoring, and providing feedback that can often exceed the limits of a simple, dyadic relationship (Martina, Mutrie, Ward, Lewis, 2014). These inherent activities in mentoring are needed to encourage and build confidence among employees and perceived successors of family owned business. A result-oriented synergy between mentoring and business or founder's succession plan is required to ensure the wealth of knowledge accrued by founders and existing entrepreneurs are transferred to younger generations who will inevitably assume key leadership roles. George (2003), observed that the most important things successful leaders do is to prepare for their own succession. However, Developing and managing succession plan are not easy to achieve especially in small and family businesses yet its absence or failure could lead to organizational instability (Grusky, 1960 ; Froelich, McKee and Rathge 2009). This study therefore posits that mentoring helps shape and produces result-oriented successor.

Succession plights

Several firms including large and small businesses have been beset with troubles because of lack or poor succession plan. This was evidence from the troubles or death of some local and international renown businesses that failed or almost extinct because of inappropriate succession plan. At the international scene, the death of Roberto Goizueta Coke's pioneering boss, in 1997 ushered in significant troubles that almost cost the company survival following inappropriate succession and mentoring plan. The company was then forced to urgently go public looking outside its ranks for a leader which many observed and interpreted as evidence of management weakness within (Rothwell, 2005). Similarly, Vodafone had no succession strategy in place when, in December 2002, Sir Christopher Gent, its chief executive, said he would leave. A search for a replacement led to Arun

Sarin, a non-executive director, being given the job (A. Koeberle-Schmid et al., 2014). More recently Manchester United Football Club in England is yet to fully come out of the troubles it finds herself following poor succession management of the team football manager. The announcement of the retirement of the club manager Sir Alex Chapman Ferguson in 2013 becomes the beginning of the club downward performance. At the domestic level, with references to small and medium business operators/owners in the study area. Companies like Owodunni Motors, Alata Flour Mills, John Brown Toiletries and Eni Afe Lamo Transport operations have all gone into extinction for poor or lack of mentoring and good succession plan. The trend of this business failure and survival is worrisome bearing the rate of unemployment in the country and the effect of such development on the gross domestic product of the country. The implication of this is that businesses at some point in time must cope with the certainties of succession. One means of achieving this unavoidable mission is through purposeful mentoring strategy that will overtime support, teach, encourage, and stimulate the passion and capabilities of potential successors to carry on.

This study posits that appropriate talent management through mentoring and strategic succession planning programs guarantee long-term organizational survival in small or large family business. The main purpose of this study is to investigate the role of mentoring (supporting, teaching, encouraging, challenging, counselling, affirming, coaching, advising, protecting, sponsoring, and providing feedback) influences in shaping the succession plan of family businesses overtime.

Literature review

Justification for mentoring and succession in small and medium scale businesses

The sudden loss of key individuals could jeopardize profitability or even the ability of the organization to continue operation. This is predominately common among small and medium scale entrepreneurial business. This makes the call for mentoring in firms succession plan essential, particularly in small manufacturing enterprises and family-owned businesses. Mentoring is generally accepted as a core function of leaders (McCloughen, Brien and Jackson 2014) and is a developing process rather than an outcome (Milan, 2012). Employees and potential successors are expected to be part of this developing process needed to shape and prepare successors ahead of their expected roles. Since mentoring relationships are described as having increasing impact with the passage of time, the practice becomes essential to transfer knowledge to the next generational leaders for a smooth and reliable succession goal. Despite the enormous challenges involved in achieving a successful successor, effective mentoring serves as a tool to manage knowledge and change, develop leadership capacity, build smart teams, and retain talent in a manner that helps an organization operate to its greatest potential (Serrat, 2017). Mentoring helps identify trained talent that can be called upon during both expected and unplanned succession events. A positive and rewarding mentoring experience for both the mentor and the mentee creates favourable attitudes towards fruitful succession because of the continuous involvement of emotional support, career advice guidance and professional role modelling which improves the successor confidence to carry on (Srivastava & Jomon, 2013). Affirming this view, Schell (2017), noted that mentoring positives for successors include increased self-

confidence, job satisfaction, increased job competence, enhanced judgement, career satisfaction, personal and professional growth.

Methodology

A qualitative inquiry with content analysis approach was chosen as a research methodology. The choice of the method is to enable the study to obtain a lived experience of the respondents on the subject matter. The method also offers a subjective interpretation of the content of text through the systematic process of coding and identifying themes or categories to reach a broad description of the study phenomenon.

Participant and Study Area

The study was conducted in Ogbomoso, Oyo State, Nigeria. Eight family businesses were selected through purposive sampling method. Potential participants were approached by the principal author and each participant with the inclusion criteria were provided information about the research and they were also encouraged to participate in the study. All business participants pleaded for anonymity as such pseudonyms were used to represent their identity -with utmost confidentiality. The inclusion criteria were operational family businesses in their second, third or more generation. The family business must be in the study area Ogbomoso. The family business successor must be willing to participate in the study and other key participants must have also been part of the business and willing to participate in the study. The demographic characteristics of the participants are presented in Table 1.

Table 1. Demographic characteristics of participants

Average age of participants	27
Gender distributions of participants (%):	
Male:	9
Female:	7
Educational level of participants:	
Illiterate	0
Elementary school	2
Junior high school	0
Senior high school	4
Ordinary/Higher Diploma	5
BSc and above	5
Marital Status	
Single:	0
Married:	16
Average Duration of Interviews	33 mins

Data Collection

The main technique for data collection was interview. The data was driven by 15 semi- structured, in depth, face to face interviews with sixteen participants. Four participants had two interview session to obtain more information. Sampling continue until saturation of the data was reached. All participants were interviewed at a private conducive environment in a relax mood. The participants were asked to talk about conditions that propelled them to succeed their predecessor. The interviews begun with general question "could you tell me your experience as the successor of your predecessor?" Probing questions were asked to clarify participants' descriptions such as 'When you said.... What did you mean? Could you explain more about that?' Duration of the interview session varied from 25 to 38 mins. All interviews were auto recorded and transcribed verbatim in English and Yoruba language subject to the convenience of the participant. Then each transcript was saved in a separate rich text format file and imported in MAXQDA 18 software.

Data Analysis

The conventional content analysis approach was applied to analyse the data. All interviews were read several times to gain a sense of the whole. The transcripts were divided into condense meaning units that were abstracted and coded. Then codes were compared according to similarities and differences and sorted in categories and sub-categories constituting the manifest content. Tentative categories were revised while the final categories were formulated as the latent content of text. In addition, all transcript in Yoruba language was translated to English language by authors who were fluent in both English and Yoruba languages.

Findings

Four categories were extracted from the deep description of the participants including Passion, Psychosocial, Role modelling and Vocational support.

3.1 Passion. Passion as the first category refers to the personal interest, self-confidence and commitment that propelled the mentee to succeed the incumbent.

3.1.1 Personal Interest. Most participant had a natural zeal and personal ambition to succeed the founder as director of the business. They purposely act and paraded themselves as the anointed successor. They closely move around with the incumbent taking some responsibility claimed to be directed and authorized by the incumbent. This was a fundamental reason that spurred them to be naturally mentored and eventually succeed the incumbent.

"I have always long to be like my father since childhood. We are always together, and we often discuss business, so I am quite familiar with how he managed his business."

Another participant added,

"Getting closer to my dad is the only thing I could think of to achieve my determination to succeed him and my mum is always happy seeing me around my dad during business hours and thereafter".

3.1.2 Self Confidence. According to the participants, one of the main factors influencing their ability to succeed the incumbent is self-confidence. A willing and motivated self-assurances to carry on boosted participants passion to succeed the incumbent.

"My uncle and the sales manager fired me up so much and gave me so much confidence. There way of working with me was indeed mentoring"

"Several of our business partner's comments and feedback on activities I have been trained to handle gave me more confidence that I can succeed in the business".

3.1.3 Interest of the Mentor. For most participant, the interest their mentor showed in them resulted to the motivation to pursue their passion of knowing the job and succeeding the incumbent when the opportunities arrive. One of the participants explained,

my boss believed in me he nurtured my passion for the job, he made remarkable statement such as I am the best, I am smart, and I can compete with the leaders on the job. Those attributes and words from him made me want to be like him.

3.2 Psychosocial The feelings of being accepted and encouraged to carry on despite some setbacks and loss of concentration occasionally as young lads propelled the participant to succeed their successor

3.2.1 Encouragement and listening: Most of the participant believed that and words of courage, the listening and prompt response from their boss deeply encourage their curiosity to

learn more especially when the response to their question is a challenging one. This therefore makes them develop the feelings to be like their boss. Some of the participant expressions are:

My uncle often asks me questions on what I learnt every week at work. He wants me to ask him question on anything I am not so clear about. He loves seeing me curious.

Positive remarks received from some of our clients really makes me to forge ahead because I am always happy when clients also acknowledge my effort

3.2.2 Sharing experiences: When responding to questions from apprentice my dad always wants me around. He encourages all of us to brainstorm and share knowledge. This helps me a lot to get on.

We sometime discuss difficult moment at work with my colleagues, and we encourage ourselves to try new skills which we sometimes succeed and at times failed.

Our organisational functions are designed in patterns that naturally shapes and promote interactions and sharing of experiences among ourselves.

3.3 Role modelling: demonstration

3.3.1 Admiration

I personally noticed that the attitude of my father and uncle towards me as an indication that I am being trained to possibly succeed them in the business ; their affections and focused on me encouraged me to try to be like them.

I learned a lot from my mother, how I conduct our business is still around what she thought me, and it is still in my mind a lot. I admired her teachings then and now she admires my actions. She is always proud of me.

3.3.2 Attitude of mentor

My dad and other experience personality in our family business are approachable, trustworthy, and available when they are needed.

Mummy was always educating me, she was always explaining to me why she did this, or why she might do it this way or what the consequences of something might be

3.3.3 Family and friends' attitude

The reactions and feedbacks from my friends, family members and associate instilled the confidence to succeed the incumbent in our family business.

I felt more valued and confident when several family members perceived me as the best candidate to move the family business forward.

3.4 Vocational support: The coaching received by the participant in the development of certain skills that helps improves their performances in a specific area attracting them succeed the incumbent.

3.4.1 Education:

Acquiring Formal education in our environment is non-negotiable. we are either forced to have education to avoid being mocked or be educated to have a sense of pride and confidence to be respected in the society.

Do not even think of it! you cannot succeed an incumbent if you are not educated in this environment. You will be an outcast.

3.4.2 Training

We are encouraged by my uncle and dad to continue our formal and informal education by attending leadership conferences and earning an advanced degree

Honestly, the training I received helped me to confidently take on new responsibility and experiment other alternatives towards problem solving.

I got the zeal to build confidence to learn and grow following series of workshop and conferences I attended.

3.4.3 Human relations

Senior and experience colleagues used motivating language when communicating with us, they are patient, kind, calm and relaxed in countenance and body language when giving us directions.

Discussion

All the participant affirmed the relevance of mentoring on the succession and sustainability of family businesses. Mentoring inspired most participant to succeed their incumbent because their passion grew as their mentors gradually provide guidance. Passion was thus enhanced through adequate mentoring that led to a strong motivation to succeed the incumbent. This passion was driven by mentor's personal interest and self-confidence in mentees. Taking up responsibilities and accountability was easy for the mentee because of the positive attitude of their mentors and this makes the mentee to be emotionally connected to the business unconditionally. The freedom to operate freely makes them moved close to the incumbent, they accept responsibility and sometimes take the lead in some vital assignment giving to them. Occasionally, Mentee unconsciously acted as if they have succeeded the incumbent. An act interpreted as the supposed anointed successor by observers. This implies that the passion for the business spurred them to always be around their mentors and they were further encouraged because more often their mentors discussed business related issues to with them. These actions validated the views of Kraiger, Finkelstein, and Varghese (2018) that successful mentoring forms genuine partnership and dialogue where both parties learn something essential. The approach makes the mentees' willing and motivated with self-assurance that they can succeed the incumbent. Also observed was the mentor's ability to challenge their protégé to work with reasonable feedback free from demoralising them. This helps the mentee builds the confidence needed to step into the shoes of the incumbent in the nearest future. Favourable feedback from business partners and commendation from other stakeholders on the mentee's attitude to work alongside their relations with customers also promote the self-confidence required of a successor. This implies that feedback while mentoring is necessary because of its ability to provide direction.

Mentee's feelings of being encouraged and listened to amidst occasional errors committed makes them feels at home and being loved. This approach thereafter becomes the stimulants that made the mentee takes reasonable risk and eventually becomes focus to learn and adapt fast on the job. Through active listening, communication, and constructive criticism the mentee feels respected and the confidence to succeed the incumbent grows gradually. This support the findings by Lapierre, Naidoo, and Bonaccio (2012) that through encouragement, listening, sharing experiences and being empathic mentee's sense of professional competence and identity are enhanced (Dougherty, Turban, & Haggard, 2007). Notably Dreikur (1967) observed that encouragement is what is important in every treatment towards human growth and development. The encouragement to share their experience with their peers and having their mentor listening becomes a sense of pride thus sensitive

listening is an effective agent for individual personality change and group development (Rogers and Farson 1957).

Role models are available in the family business of the participant because of their ability to demonstrate skills especially where it involves developing and improving performances in specific area. The mentors' admiration to get the mentees' understand the specialised skills needed also made the mentee feels they are part of the business future as such a conviction that mentees' are trained to possibly succeed the incumbent in the business becomes imminent for the mentee and this gives them a sense of belonging and hope. This implies that the attitude of the mentors that made their mentee to perceived them as being approachable and trustworthy strengthens the synergy between them. This aligned with the concept of the relational mentoring theory (Ragins, 2010) that mentoring is a mutually interdependent, empathic, and empowering process that create personal growth development and enrichment of mentors and mentee (Ragins, 2005).

Societal norms and values which greatly encourages formal education naturally propelled the participant to seek formal education. Being educated was perceived as pride for the mentee because of the importance the community attached to it, as such they were respected. Formal education was valued and prioritise as a pre-requisite needed to lead the family business. The family belief that education is a source of exposure and training, it makes learning on the job easy and allow the mentee to adopt reasonable initiative. Mentee concurred that education and training acquired makes it easy for them to use motivating language on their employees which naturally makes them achieve significant result.

Conclusion

Family business successors acknowledged the role mentoring played in shaping their emergence as the successor of their family businesses. Successors passion to succeed their incumbent grew as their mentors provide guidance that boosted their confidence. Favourable feedback from business partners and commendation from other stakeholders on the successors attitude to work improved the support given to the successors to succeed their incumbent. Successors commitment demonstrated through active listening, communication, and constructive criticism received from their mentors attracted the respect and expectations of family members that they succeed the incumbent. Educational background of the successors stimulated by societal norms and values not only boost the confidence of family members and stakeholders it also acts as catalyst for the succession process. Early mentoring is an essential part of nurturing and developing a successful successor in family businesses.

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