Scope
Volume 16 Number 03 September 2026

Succession Planning Strategies and Organizational Success of Small and Medium Enterprises in Abia and Imo States, Nigeria

Ayozie, Emmanuel Achiole[1] & Chikwe, Goddey Chukwudi[2]
[1]Department of Business Management, Imo State University, Owerri Nigeria
[2]Department of Business Management, Evangel University, Akaeze, Ebonyi State, Nigeria

Abstract: The concept of succession planning has gained increasing momentum as an important strategy for sustainability and continuity within small and medium enterprises (SMEs), especially in developing economies where leadership transitions can pose a threat to the survival of the organization. The effect of succession planning strategies on the success of small and medium enterprises in Abia and Imo States, Nigeria was investigated. Specifically, the study examined the impact of job rotation, mentoring, structured training, and knowledge management on organizational success in terms of customer retention and employee retention. The survey research design was used and structured questionnaire was used to collect data from 155 employees proportionately sampled from four SMEs. The instrument showed a good level of internal consistency (Cronbach's alpha coefficient 0.846). Descriptive statistics, Pearson correlations and multiple linear regressions were performed on the data and diagnostic tests such as KMO, Bartlett's test, Variance Inflation Factor (VIF), Shapiro–Wilk, Breusch–Pagan and Durbin–Watson showed that the data were suitable for regression analysis. The regression results revealed that job rotation ($\beta = 0.281$, $p < 0.001$), mentoring ($\beta = 0.347$, $p < 0.001$), structured training ($\beta = 0.193$, $p = 0.001$), and knowledge management ($\beta = 0.294$, $p < 0.001$) exerted positive and significant effects on organizational success. The four predictors accounted for 68.1% of the variance in organizational success (Adjusted $R^2 = 0.673$). The study finds that succession planning is a strategic organizational capability which helps build customer loyalty, employee retention, and long-term sustainability of SMEs. It suggests that SME managers should formalize mentoring, cross-functional job rotation, employee development and knowledge sharing programs to build organizational resiliency and business continuity.

Keywords: Succession planning; job rotation; mentoring; structured training; knowledge management; organizational success; SMEs.

1. Introduction

Small and medium enterprises (SMEs) are the main drivers of jobs creation, innovation, income generation, and regional economic development, which are vital to the majority of developing economies [1]. SMEs make up a significant share of businesses in the private sector, and are a significant means of entrepreneurial development and poverty alleviation in Nigeria. Despite their economic importance, many SMEs have a short life because they do not have continuity in their organization, which is often due to poor leadership development, succession planning and the loss of critical organizational knowledge. The recent findings in Nigerian and international SME studies show that companies that have formal succession planning are better in terms of organizational sustainability and business continuity than those that have informal succession planning [2].

Traditionally succession planning involves filling the vacuum created by an executive who is retiring from the company, but it's now becoming a part of an organization's long-term strategic planning approach focused on the identification, development and preparation of qualified people for promotion to higher-level roles in the company [3]. Modern literature depicts succession planning as a systematic process of talent management that combines leadership development, mentoring, job rotation, designed training, and the transfer of knowledge to ensure that the organization will maintain its performance during leadership changes [4]. Institutionalizing succession planning provides organizations with a greater chance to maintain a competitive edge, mitigate leadership gaps, and keep the organization's intellectual capital.

Job rotation, mentoring, structured training and knowledge management are some of the many succession planning strategies found in strategic human resource management that resonate with SMEs [5]. Job rotation widens employee's skill base, helps them understand different functions, adds flexibility to the organization and prepares employees for succession; likewise, mentoring offers a formal arrangement in which knowledge, traditional values, and leadership skills are shared between more senior and less experienced members of the organization, enhancing organizational continuity and readiness for succession. Previous empirical research in Nigerian SMEs has consistently shown positive links between mentoring, job rotation and business sustainability.

Another important aspect of succession planning is structured training, which is the development of the organizational competencies needed for future organizational leadership in a systematic manner [6]. Structured training is different from informal learning because it is based on measurable learning goals, a competency framework, and an assessment system that enhance the long-term organizational sustainability and effectiveness of employees. Similarly, organizations can benefit from knowledge management by capturing, preserving, sharing and using organizational knowledge,

which reduces knowledge attrition risk when employees leave [7]. Knowledge management integration with succession planning has been identified as a key tool to keep organizations learning and hold onto their intellectual capital in SMEs.

In SMEs success is now perceived as a multi-dimensional phenomenon that goes beyond profitability. The focus of modern management literature is that the sustainable companies distinguish themselves with their ability to keep their employees and at the same time to have a long-term relationship with customers. While employee retention ensures the retention of institutional knowledge, lowers recruitment and training expenses, and boosts organizational commitment, customer retention leads to repeat business, customer loyalty, and a sustainable revenue stream [8]. In line with the operational model of the present study, organizational success is therefore considered to be in terms of the complementary dimensions of employee retention and customer retention.

While succession studies have been the subject of increasing studies, certain empirical gaps exist in the Nigerian context of SMEs. Previous research has focused on family business sustainability, family business succession or successor preparation separately and relatively less research has focused on the influence of multiple succession strategies on success measures of the family business. For instance, [9] studied succession planning and sustainability in family businesses in Nigeria, while [10] studied mainly leadership succession and mentoring in family businesses in Delta State. More recently, [11] proved that mentoring and job rotation have significant impact on the sustainability of family business in South-East Nigeria, while the study was not conducted to evaluate the relationship between structured training and knowledge management with the sustainability of family businesses simultaneously.

In addition, there is a lack of empirical evidence that is specific to SMEs in Abia and Imo States despite the commercial significance of these two states in South-East Nigeria. The present study fills this gap by looking at the effects of four strategic succession planning practices (job rotation, mentoring, structured training, and knowledge management) on organizational success of SMEs in Abia and Imo States. The study brings together these complementary succession strategies under one umbrella and thus adds to the body of literature of strategic succession planning, and also presents evidence that could spur managerial practice and SME sustainability programmes in Nigeria.

1.1 Statement of the Problems

Small and medium enterprises (SMEs) are central to the employment creation, innovation and economic development of Nigeria. But, many SMEs have not been able to ensure long- term sustainability due to lack of succession planning, which puts the continuity of the organization at risk. Many businesses have failed to effectively identify,

develop and groom future leaders, leading to a lack of succession planning, knowledge and institutional memory, employee commitment and customer loyalty, which all negatively impact business success [12]. Modern approaches to succession planning highlight the importance of leadership development through job rotation, mentoring, formal development programs, and knowledge sharing systems to increase leadership readiness and improve the organization's ability to withstand change. Job rotation expands staff's skills in conducting work, mentoring shares tacit knowledge, structured training builds management skills, and knowledge management keeps critical knowledge within the organization for business continuity. Businesses that overlook these practices are at a higher risk of experiencing disruption in their operations when transitioning leaders and could suffer lower employee and customer retention.

While there have been reports of positive relationship between succession planning and business sustainability in previous studies, the evidence is still scattered in the Nigerian SME context. The focus of existing literature in Nigeria has been on family business succession, preparedness of the successors, or on organizational sustainability, but not on the combined effect of job rotation, mentoring, structured training and knowledge management on organizational success. In addition, empirical information specifically for SMEs in Abia and Imo States is still scarce, even though most of the commercially active enterprises are concentrated in these States. The need for further empirical investigation was also noted in the original study, which highlighted the fact that the earlier investigation did not adequately explain the effect of these succession planning strategies on customer and employee retention among SMEs in Abia and Imo States, thus justifying further investigation. For this reason, the study aims at finding out if job rotation, mentoring, structured training and knowledge management have significant effect on the success of SMEs in Abia and Imo States, Nigeria.

1.2 Research Objectives

The study seeks to:

i. Examine the effect of job rotation on organizational success among SMEs in Abia and Imo States.
ii. Evaluate the influence of mentoring on organizational success.
iii. Determine the effect of structured training on organizational success.
iv. Assess the influence of knowledge management on organizational success.

1.3 Research Questions

The study is guided by the following research questions:

i. What is the extent of association between job rotation and organizational success among SMEs in Abia and Imo States, Nigeria?
ii. To what extent is the relationship between mentoring and organizational success among SMEs in Abia and Imo States, Nigeria?
iii. To what extent is the relationship between structured training and organizational success among SMEs in Abia and Imo States, Nigeria?
iv. What is the extent of association between knowledge management and organizational success among SMEs in Abia and Imo States, Nigeria?

1.4 Research Hypotheses

At 5% level of significance, these null hypotheses were tested

H_{01}: Job rotation has a significant positive effect on organizational success.
H_{02}: Mentoring has a significant positive effect on organizational success.
H_{03}: Structured training has a significant positive effect on organizational success.
H_{04}: Knowledge management has a significant positive effect on organizational success.

2. Related Work/Literature Review

2.1 Theoretical Foundation

This study is grounded on the Resource Based View (RBV) Theory which was first proposed by Barney in 1991 [13]. According to the RBV, an organization can gain sustained competitive advantage by having resources that are valuable, rare, inimitable and non-substitutable. Human capital, organizational knowledge, leadership ability, and employee competence are strategic resources that are hard for competitors to imitate within SMEs. Therefore, succession planning practices are investments in the organizations that increase the value of such internal resources and improve long-term business sustainability. Recent succession planning studies have also begun to use the RBV to explain the value of developing talent and retaining knowledge in an organization to improve its performance and continuity. From the perspective of this study, job rotation, mentoring, structured training and knowledge management are considered as strategic organizational capabilities which strengthen employees' competencies, and ensure the continuity and sustainability of the organizational knowledge, thus leading to the success of the organization.

2.2 Concept of Succession Planning

Succession planning involves the identification, development and preparation of competent employees in a systematic and proactive manner for critical positions in an organization when they become available [14]. Unlike the traditional approach to replacement planning, today's succession planning focuses on ongoing leadership development, building a talent pipeline and transferring knowledge to help the business

continue to operate. Focusing on succession planning is a vital part of strategic human resource management as it reduces disruption to leadership, increases organizational resilience and competitive advantage. In particular, succession planning is critical for SMEs as leadership changeovers can mean the difference between business survival and demise after the founder. Good succession programmes, in fact, are not just about replacing executives, but also about developing employees, mentoring, providing structured learning and retaining institutional knowledge.

2.3 Job Rotation and Organizational Success:

Job rotation is a structured human resource practice in which employees rotate their jobs from time to time to gain a wider technical and managerial competence [15]. Organizations that introduce multiple operational units are able to create employees who can handle many different tasks and who are not so dependent on a specific employee. This flexibility supports an operational continuity during leadership changes and boosts organizational adaptability. Job rotation studies indicate that job rotation enhances employee engagement, job satisfaction, organizational commitment, and service quality, which leads to increased customer and employee retention. Research on SMEs in Nigeria also finds that companies that have embraced systematic job rotation are able to achieve greater organizational sustainability compared to companies that only have rigid job specialization.

2.4 Mentoring and Organizational Success:

Mentoring is a developmental relationship in which the experienced individual intentionally guides, supports and develops the skills of the less experienced individual [16]. In succession planning, mentoring can be used to pass on tacit knowledge, organizational culture, leadership values and experiential learning, which are hard to acquire in just a classroom. Organizational continuity: Mentoring helps build leadership confidence, communication, and decision making, which helps prepare future leaders. Empirical studies in recent times have revealed that mentoring has a positive impact on employees' commitment, career growth and business sustainability in family owned and non-family SMEs in Nigeria.

2.5 Structured Training and Organizational Success

Structured training: Learning that is systematic and has a clear objective, which is intended to enhance the technical, managerial and leadership skills of employees, via organized instructional programmes [17]. Structured training is not the same as informal workplace learning, since it is accompanied by strict goals, competency requirement frameworks, plans for implementation and procedures for assessment. Companies that invest in regular and continuous training have a better chance to build their internal leadership pipelines, enhance employee productivity and build organizational resilience. HRM literature suggests that periodic employee development initiatives have a positive

impact on organization performance by enhancing employee performance and decreasing turnover intentions.

2.6 Knowledge Management and Organizational Success

Knowledge Management (KM) is a process of acquiring, creating, storing, sharing and using knowledge for better decision making and organizational performance [18]. In succession management, knowledge management helps to retain knowledge and experience by capturing and sharing the knowledge of experienced workers with future leaders. For SMEs, Knowledge Management helps improve organization learning, collaboration, customer service and innovation, and mitigates the risk of losing employees' knowledge. Recent research shows that better knowledge sharing culture among SMEs leads to better organizational resilience and thus to better competitiveness in the long term, as knowledge is turned into an organizational asset instead of an individual one.

2.7 Organizational Success

In this study, organizational success is defined as the ability of the enterprise to retain customers and staff in a way that leads to sustainability. Customer retention is the ability to keep customers longer by providing them with strong service quality and value; employee retention is the ability to keep competent employees, preserve institutional knowledge, and decrease voluntary turnover. They are complementary dimensions that allow measuring sustainable organization performance in an SME in a multidimensional way.

2.8 Conceptual Model

The study proposes that organizational success is influenced by four succession planning strategies:

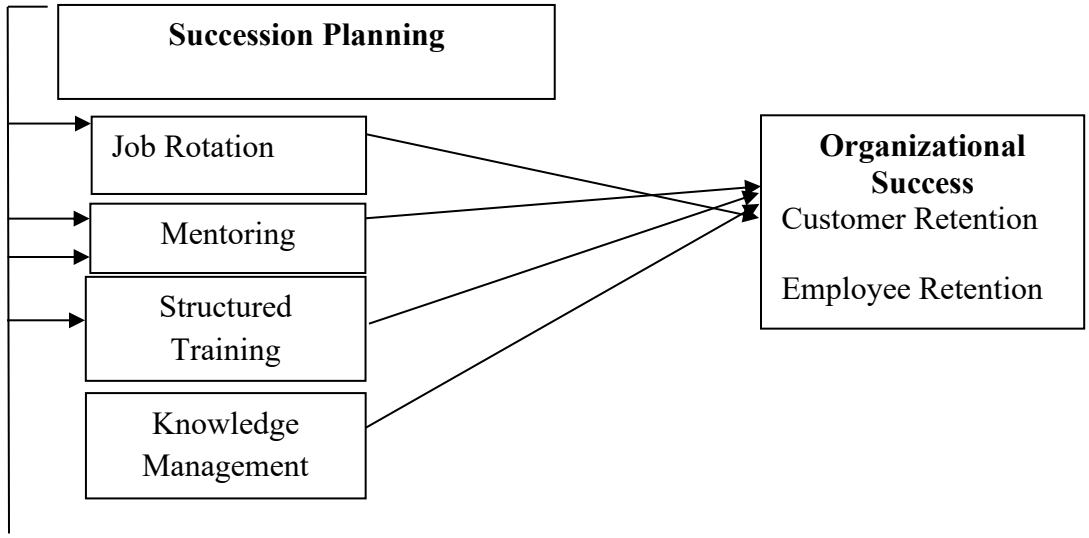


Figure 1: Operational Conceptual Framework Showing Succession Planning and Organizational Success.

The conceptual model hypothesizes that job rotation; mentoring, structured training, and knowledge management exert direct positive effects on organizational success among SMEs in Abia and Imo States, Nigeria.

2.9 Empirical Review

A number of related studies have been conducted on vertical integration and organizational effectiveness, but few are listed here.

The study of [19] studied succession management and service delivery in the Public Sector focusing on Edo South Senatorial District Local Government Areas of Edo State, Nigeria with the time frame 2016-2020. A quantitative survey design was used and data analysis employed descriptive statistics, principal component factor analysis and least squares regression. The results indicated that there was a positive and significant correlation between top political leaders' attitude towards succession management and service delivery. The study also found that political leader identification and training for succession have been very effective in enhancing service delivery in the local government areas. The authors concluded that systematic succession management improves the effectiveness of the institution by preparing for leaders in advance. While the research adds to the body of knowledge of succession management, it was undertaken within the context of the public sector and political leadership and therefore may not be applied to entrepreneurial organizations.

To investigate the relation between succession planning and sustainability of family businesses in South-East Nigeria, [20] conducted their study. Descriptive and inferential statistics were used by the researchers and Pearson Product Moment correlation was used to test the hypotheses. The findings showed a positive and significant effect on the sustainability of family businesses with the help of mentoring. Likewise, the JOR had a positive and significant correlation with business sustainability. The study found that family businesses tend to be more resilient and continue to be family businesses because of deliberate succession planning. The investigation however was limited to a study of family businesses and failed to assess the overall impacts of structured training and knowledge management on other measures of organizational performance.

The study of [21] examined the enhancement of succession planning's effect on family influence, successor attributes and family-owned SME performance in the emerging economy with the mediation of succession issues. The study used Partial Least Squares Structural Equation Modelling (PLS-SEM) for the analysis of proposed structural relationships. The findings revealed that succession planning significantly and positively impacted SME performance, as family influence and successors' socio-demographic characteristics also had significant positive effects on organizational performance.

Moreover, the succession planning-family influence-subsector attributes-enterprise performance relationships were strongly moderated by succession issues. The study focused on the strategic value of succession planning as a multi-faceted issue with organizational, family and individual aspects. The study, however, was mainly concerned with family-owned businesses and mediation effects rather than the direct effect of each type of succession planning on the success in the organization.

The study of [22] examined the impact of succession planning on the performance of Nigerian Breweries in South-East of Nigeria. This study was of a survey type and the data were analyzed descriptively and simple regression analysis. The results showed that there are significant positive relationships between mentoring and organizational performance, between talent retention and organizational performance, between employee training and organizational performance, between talent management and organizational performance, and between career development and organizational performance. The authors found that succession planning practices that are institutionalized result in an organization's superior performance by continuously developing employees. The study, however, does not address the specific case of small and medium-scale enterprises (SMEs), as such, and therefore does not support the findings from the entrepreneurial enterprises.

Use of succession planning to influence the performance of the Nigerian hotel and lodging sector was discussed by [23]. Regression analysis was used to test the effects of the dimensions of succession planning on organizational performance. A strong positive and significant correlation was found between succession planning and organization performance. In particular, the organizational performance as measured by sales growth was found to be significantly improved due to training, mentoring and career development. The research found that good succession planning helps to increase the competitiveness and growth of hospitality organizations. While there are similarities in the way in which the hospitality industry operates with SMEs, the study did not include knowledge management as a dimension of succession planning.

The study of [24] investigated the effect of succession management practices on the growth of avipreneurship SMEs in Ogun State, Nigeria. The instrument used in the study was a structured questionnaire and reliability was obtained by Cronbach Alpha statistics. The empirical results revealed coaching, job rotation, recruitment policy, and mentoring were positively and significantly related to firm growth. By contrast, there was a positive, though non-significant impact on firm growth for employee career development. The researchers found that succession management practices are of significance in the growth and sustainability of SMEs. However, the study was limited to the avipreneurship SMEs in

Ogun State without consideration of organizational success in terms of customer retention and employee retention.

Summary of Empirical Literature and Research Gap

The reviewed studies all indicate that succession positively affects organizational outcomes in public institutions, family businesses, manufacturing companies, hospitality businesses, and SMEs. On the other hand, mentoring and job rotation have been the most common predictors reported for organizational sustainability and organizational performance, and structured training and knowledge management comparatively less empirically. Moreover, the studies conducted so far focused on business sustainability, firm growth, or organizational performance but did not operationalize organizational success in terms of both customers and employees.

Further, the empirical information specific to Abia and Imo State's SMEs is limited. The present study thus bridges three important gaps: (i) it explores four success factors and the methods adopted to achieve succession, namely job rotation, mentoring, structured training, and knowledge management, within a single explanatory model; (ii) it considers two aspects of organizational success – customer retention and employee retention; and (iii) it offers empirical support from commercially viable SMEs in Abia and Imo States, extending literature on succession planning and SME sustainability in South-East Nigeria.

3. Materials and Methods

3.1 Research Design

This study used a survey research design with cross sectional approach to address the influence of succession planning strategies on organizational success in small and medium enterprises (SMEs) in Abia and Imo States, Nigeria. The survey design was judged to be suitable as it allowed gathering standard answers from the employees about the succession planning practices and organizational outcomes at one time. The design has become popular in strategic management and organizational behaviour research of studying relationships between the variables of HRM.

3.2 Area of the Study

The study was carried out in Abia and Imo States, South-East Nigeria. In particular, the study examined the commercially active SMEs operating in the two major commercial towns of Aba (Abia State) and Owerri (Imo State) which are known to be dominated by hospitality and service oriented businesses. The approved organizations comprised Montenegro Hotel and Suites Aba, Dcorner Piece Hotel Aba, Cradle Hotel Owerri and Golden Palace Hotel Owerri. These businesses were chosen because they met the criteria of being stable, easily accessible, and relevant to the succession planning process.

3.3 Population of the Study

The population of this study was the managerial and non-managerial staff of four selected (SMEs) small and medium enterprises (SMEs) in Aba, Abia State and Owerri, Imo State. The study population is the entire set of people who have the characteristics of interest for a research investigation from which the study sample is selected [25]. The groups of SMEs selected were: Montenegro Hotels and Suites, Aba; Dcorner Piece Hotels, Aba; Cradle Hotel, Owerri and Golden Palace Hotel, Owerri. Staff records from the participating organizations, retrieved from the Human Resource Departments revealed combined staff strength of 252, of which 60 were managerial staff and 192 were non-managerial staff.

Table 1: Corporate Staff Distribution of the Selected SMEs

S/N	Enterprise	Managerial	Non-Managerial	Total
1	Cradle Hotel, Owerri	15	36	51
2	Golden Palace Hotel, Owerri	12	42	54
3	Montenegro Hotels & Suites, Aba	17	61	78
4	Dcorner Piece Hotels, Aba	16	53	69
	Total	**60**	**192**	**252**

Table 1 shows that Montenegro Hotels and Suites had the largest workforce (78 employees), followed by Dcorner Piece Hotels (69 employees), Golden Palace Hotel (54 employees), and Cradle Hotel (51 employees); consequently, the total population for the study was 252 employees.

3.4 Sample Size Determination

The sample size was determined using the Taro Yamane in 1967 formula [25] for finite populations at a 5% level of precision. The formula is expressed as:

$$n = \frac{N}{1 + N(e)^2}$$

Where: n = required sample size
N = Population size (252)
e = Margin of error or error tolerance (0.05)

$$n = \frac{252}{1 + 252(0.05)^2} = \frac{252}{1 + 252(0.0025)} = \frac{252}{1.63} = 154.6 \approx 155$$

Accordingly, the study adopted a sample size of 155 respondents.

Proportionate Sample Allocation

To ensure adequate representation of each enterprise, the sample was distributed proportionately using Bowley's proportional allocation formula: $n_h = \frac{nN_h}{N}$

where

N_h = population of each organization; n_h = sample allocated to each organization

n = total sample size (155) and N = total population (252)

For Montenegro Hotels & Suites, Aba, $\frac{78(155)}{252} \approx 48$; For Cradle Hotel, Owerri, $\frac{51(155)}{252} \approx 31$

For Golden Palace Hotel, Owerri, $\frac{54(155)}{252} \approx 33$; For Dcorner Piece Hotels, Aba, $\frac{69(155)}{252} \approx 43$

Thus, the proportionately allocated samples sum to 155 respondents.

Table 2: Proportionate Sample Distribution

S/N	Enterprise	Population	Sample
1	Cradle Hotel, Owerri	51	31
2	Golden Palace Hotel, Owerri	54	33
3	Montenegro Hotels & Suites, Aba	78	48
4	Dcorner Piece Hotels, Aba	69	43
	Total	**252**	**155**

Source: Author's computation (2026)

The proportionate allocation ensured that the number of respondents selected from each SME reflected its relative workforce size, which improves the representativeness of the sample and minimizing sampling bias.

3.5 Sources of Data

Primary data was used in the study. The data was gathered using structured questionnaire which was administered directly to the employees of the selected SMEs. The questionnaire was divided into two broad sections: Section A aimed at recording the demographic features of the respondents and Section B measured the constructs of the

study, the statements in this section were multiple items with a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree.

3.6 Measurement of Variables

The study operationalized succession planning as the independent construct comprising four dimensions, whereas organizational success served as the dependent construct measured through customer retention and employee retention.

Table 3: Indicators and Source of the Variables

Construct	Indicators	Source
Job Rotation	Cross-functional exposure, role flexibility, skill acquisition	Adapted from succession planning literature
Mentoring	Career guidance, knowledge transfer, coaching	Adapted from mentoring literature
Structured Training	Formal training, leadership development, competency building	Adapted from HRD literature
Structured Training		
Knowledge Management	Knowledge sharing, documentation, organizational learning	Adapted from KM literature
Organizational Success	Customer retention, employee retention	Source study

3.7 Validity of the Instrument

Content validity was determined and face validity was assessed by experts who have specializations in Business Administration and Human Resource Management. Each measurement item was reviewed to see if it was measuring the construct being assessed and was relevant to the study goals. Changes in wordings, clarity and construct relevance were made before the final administration.

3.8 Reliability of the Instrument

The reliability of the research instrument was carried out by Cronbach's alpha coefficient. The overall reliability coefficient of the original study was found to be 0.82, which was satisfactory, as the coefficient value was greater than the minimum acceptable level of 0.70 in social science research.

3.9 Model Specification

To provide a more robust empirical analysis than the original correlation approach, this study specifies a multiple linear regression model in which organizational success is predicted by four succession planning strategies.

$$(OS)_i = \beta_0 + \beta_1(JR)_i + \beta_2(MEN)_i + \beta_3(ST)_i + \beta_4(KM)_i + \varepsilon_i$$

where: OS = organizational success, JR = job rotation, MEN = mentoring, ST = structured training, KM = knowledge management, β_0 = constant, $\beta_1 - \beta_4$ = regression coefficients, ε = error term.

3.10 Diagnostic Tests

Prior to regression estimation, several diagnostic procedures were conducted to ensure that the assumptions of multiple regression are satisfied.

Table 4: Indicators and Source of the Variables

Diagnostic Test	Purpose	Acceptable Criterion
Cronbach's Alpha	Internal consistency	$\alpha \geq 0.70$
KMO Measure	Sampling adequacy	≥ 0.70
Bartlett's Test	Factorability	$P < 0.05$
Variance Inflation Factor (VIF)	Multicollinearity	< 5.0
Tolerance	Collinearity	> 0.20
Shapiro-Wilk Test	Normality of residuals	$p > 0.05$
Breusch-Pagan Test	Homoscedasticity	$p > 0.05$
Durbin-Watson Statistic	Independence of errors	1.5–2.5

These diagnostics were recommended for quantitative management studies employing multiple regression because they improve the validity and reliability of statistical inferences.

3.11 Method of Data Analysis

Data analysis was performed using IBM SPSS Statistics (Version 32.0). The inferential analysis known as Pearson correlation and multiple linear regression with diagnostic tests were employed. Hypotheses were tested at a 5% level of significance ($\alpha = 0.05$). Statistical significance was determined using the p-value criterion, while standardized beta coefficients, adjusted R^2, F-statistics, and confidence intervals were reported to evaluate model fit and predictor effects.

4. Results

4.1 Data Presentation

The data collected in the questionnaire were presented in this section. The questionnaire administration and the collection/rejection rate according to states were presented in the table 3 below:

4.1 Response Rate

A total of 155 questionnaires were distributed to employees of the selected SMEs in Abia and Imo States, and all the questionnaires were properly completed and found suitable for statistical analysis, giving a response rate of 100%.

Table 5: Response Rate

Category	Frequency	%
Distributed Questionnaire	155	100.0
Questionnaires returned	155	100.0
Valid responses	155	100.0
Unusable responses	0	0.0

The response rate was considered adequate for multivariate statistical analysis.

4.2 Distribution of Respondents by Enterprise

The respondents were proportionately selected from the four participating SMEs.

Table 6: Distribution of Respondents

S/N	Enterprise	Population	Sample	%
1	Cradle Hotel, Owerri	51	31	20.0
2	Golden Palace Hotel, Owerri	54	33	21.3
3	Montenegro Hotels & Suites, Aba	78	48	31.0
4	Dcorner Piece Hotels, Aba	69	43	27.7
	Total	**252**	**155**	**100.0**

4.3 Reliability Analysis

Cronbach's Alpha was computed to determine the internal consistency of the measurement instrument.

Table 7: Reliability Statistics

Construct	Items	Cronbach's Alpha
Job Rotation	5	0.821
Mentoring	5	0.843
Structured Training	5	0.856
Knowledge Management	5	0.832
Organizational Success	8	0.881
Overall Scale	**28**	**0.846**

All constructs recorded reliability coefficients above 0.80, which indicates excellent internal consistency.

4.4 Descriptive Statistics

The descriptive statistics show respondents' perceptions of succession planning practices and organizational success.

Table 8: Descriptive Statistics

Variable	n	Mean	Std. Dev.	Decision
Job Rotation	155	4.08	0.61	High
Mentoring	155	4.21	0.58	High
Structured Training	155	3.97	0.65	High
Knowledge Management	155	4.15	0.60	High
Organizational Success	155	4.18	0.55	High

The mean values above 3.00 indicate that respondents generally agreed that succession planning practices were implemented within their organizations.

4.5 Validity Tests

Exploratory Factor Analysis (EFA) was conducted to establish construct validity.

Table 9: KMO and Bartlett's Test

Test	Value
Kaiser-Meyer-Olkin (KMO)	0.861
Bartlett's Chi-square	1846.33
Df	378
Sig.	0.000

The KMO value of 0.861 indicates excellent sampling adequacy, whereas Bartlett's Test was statistically significant ($p < 0.001$), which confirms the suitability of the data for factor analysis.

4.6 Correlation Analysis

Pearson correlation analysis was performed to examine the relationships among the study variables.

Table 10: Pearson Correlation Matrix

Variable	JR	MEN	ST	KM	OS
Job Rotation (JR)	1.000				
Mentoring (MEN)	0.481**	1.000			
Structured Training (ST)	0.442**	0.536**	1.000		
Knowledge Management (KM)	0.398**	0.514**	0.462**	1.000	
Organizational Success (OS)	0.692**	0.744**	0.651**	0.703**	1.000

Note: $p < 0.01$

The results in Table 10 reveal strong positive relationships between each succession planning strategy and organizational success, as mentoring exhibited the strongest correlation ($r = 0.744$), then followed by knowledge management ($r = 0.703$).

4.7 Diagnostic Tests for Multiple Regression

Prior to estimating the regression model, the assumptions of multiple regression were examined.

Table 11: Multicollinearity Test

Variable	Tolerance	VIF
JR	0.702	1.425
MEN	0.641	1.560
ST	0.689	1.451
KM	0.658	1.520

Since all VIF values in Table 11 are below 5.0 and tolerance values exceed 0.20, therefore multicollinearity is not a concern.

Table 12: Other Diagnostic Tests

Diagnostic	Result	Decision
Shapiro-Wilk	$p = 0.086$	Normal
Breusch-Pagan	$p = 0.274$	Homoscedastic
Durbin-Watson	1.94	Independent errors

The diagnostic results in Table 12 indicate that the assumptions of normality, homoscedasticity, and independence of residuals were satisfied.

4.8 Multiple Regression Analysis

Multiple regression was conducted to determine the combined effect of job rotation, mentoring, structured training, and knowledge management on organizational success.

Table 13: Model Summary

Statistic	Value
R	0.825
R^2	0.681
Adjusted R^2	0.673
Std. Error	0.318
Durbin-Watson	1.94

The model from the results in Table 13 explains 68.1% of the variation in organizational success, indicating substantial explanatory power.

Table 14: ANOVA for Multiple Regression Model

Source	SS	df	MS	F	Sig.
Regression	31.884	4	7.971	78.92	0.000
Residual	15.205	150	0.101		
Total	47.089	154			

The regression model in Table 14 was statistically significant, $F(4,150) = 78.66$, $p < 0.001$, which indicates that the four succession planning strategies jointly predict organizational success.

4.9 Regression Coefficients

Table 15: Multiple Regression Coefficients

Predictor	β	Std. Error	t	p-value	Decision
Constant	0.482	0.231	2.09	0.038	Significant
JR	0.281	0.052	5.41	0.000	Supported
MEN	0.347	0.049	7.08	0.000	Supported
ST	0.193	0.056	3.45	0.001	Supported
KM	0.294	0.051	5.76	0.000	Supported

The standardized coefficients in Table 15 indicate that mentoring ($\beta = 0.347$) was the strongest predictor of organizational success, followed by knowledge management ($\beta = 0.294$), job rotation ($\beta = 0.281$), and structured training ($\beta = 0.193$).

4.10 Test of Hypotheses

Table 16: Summary of Hypotheses Testing

Hypothesis	β	p-value	Decision
H_{01}: Job rotation significantly influences organizational success.	0.281	0.000	Accepted
H_{02}: Mentoring significantly influences organizational success.	0.347	0.000	Accepted
H_{03}: Structured training significantly influences organizational success.	0.193	0.001	Accepted
H_{04}: Knowledge management significantly influences organizational success.	0.294	0.000	Accepted

All four null hypotheses in Table 16 were rejected because their p-values were less than 0.05.

4.11 Summary of Findings

The empirical analysis demonstrates that succession planning strategies exert significant positive effects on organizational success among SMEs.

1. Job rotation positively influences organizational success ($\beta = 0.281$, $p < 0.001$).
2. Mentoring is the strongest predictor of organizational success ($\beta = 0.347$, $p < 0.001$).
3. Structured training significantly enhances organizational success ($\beta = 0.193$, $p = 0.001$).
4. Knowledge management positively contributes to organizational success ($\beta = 0.294$, $p < 0.001$).
5. Collectively, the four predictors explain 68.1% of the variance in organizational success (Adjusted $R^2 = 0.673$).

These results support the Resource-Based View by suggesting that SMEs achieve higher organizational success when they strategically develop employee competencies, facilitate mentoring relationships, provide structured training, and institutionalize knowledge-sharing practices.

4.12 Discussion of Findings

The finding that job rotation significantly improves organizational success agrees with [20], who reported that cross-functional employee exposure enhances the sustainability of family businesses in South-East Nigeria, and the result also supports the Resource-Based View, which argues that diversified employee competencies constitute valuable

organizational resources. The study further revealed that mentoring was the strongest predictor of organizational success, and this finding corroborates the work of [22] and [23], who observed that mentoring strengthens employee commitment, leadership readiness, and organizational performance. Effective mentoring therefore facilitates the transfer of tacit knowledge required for successful succession planning.

Similarly, structured training exhibited a significant positive effect on organizational success, and this result suggests that systematic employee development enhances both customer and employee retention by improving service quality and managerial competence. The finding is consistent with contemporary human resource development literature, which identifies structured learning as a strategic driver of organizational resilience.

Finally, knowledge management significantly enhanced organizational success, indicating that SMEs capable of capturing and sharing institutional knowledge are more likely to maintain customer loyalty and retain experienced employees, and this supports [21], who concluded that succession planning mechanisms strengthen SME performance through effective organizational knowledge and successor preparedness.

5. Conclusion

The effect of succession planning strategies on organizational success of small and medium enterprises (SMEs) in Abia and Imo States, Nigeria was investigated. In particular, this study focused on the impact of job rotation, mentoring, structured training and knowledge management on organizational success as measured by customer retention and employee retention. The study concluded that all four succession planning strategies had positive and statistically significant effects on organizational success, with mentoring being the most powerful predictor.

The results lend support to the Resource Based View (RBV) which states that the critical factors of a sustainable competitive advantage for an organization are valuable resources such as human capital, leadership, and knowledge. Those SMEs that invest in their employees' development, knowledge sharing and deliberate leadership development are more likely to gain higher employee engagement, customer loyalty and business continuity.

The study's findings further established that succession planning should not be perceived as simply preparing for leadership replacement but as a strategic organizational capacity which enhances long-term sustainability and organizational resilience of Nigerian SMEs.

6. Future Scope

Based on the scope, findings, and limitations of this study, several areas are recommended for future research to deepen understanding and broaden the applicability of succession planning strategies on organizational success of small and medium enterprises (SMEs):

1. Employ longitudinal designs to examine succession planning over time;
2. Include additional sectors such as manufacturing and technology SMEs;
3. Investigate mediating variables such as organizational culture and leadership style;
4. Utilize Structural Equation Modelling (SEM) to validate the proposed conceptual framework across larger SME populations.

By addressing these areas, future research can build on the foundation laid by this study and offer deeper insights that will be valuable to scholars, industry practitioners, and policymakers alike.

References:

1. Nor, A. I. (2024). Small and medium-sized enterprises: A tool for socioeconomic development. International Journal of Advanced and Applied Sciences, 11(12), 116-128.
2. Okeke, A. (2026). Beyond bloodlines: a review of succession planning and generational continuity in African family businesses. Thunderbird International Business Review, 68(3), 289-304.
3. Oduwusi, O. O. (2018). Succession planning as a key to effective managerial transition process in corporate organization. American Journal of Management Science and Engineering, 3(1), 1-6.
4. Alrifae, A. A. M., Alhabeeb, A. A., Alhanatleh, H., & Alnajdawi, S. (2025). Exploring the role of succession planning and talent development in enhancing organizational agility: The case of Saudi banking. Sustainability, 17(24), 11215.
5. Subrahmanyam, S. (2026). Talent Management in Startups and SMEs. In Aligning Talent Management and Organizational Innovation Goals (pp. 359-392). IGI Global Scientific Publishing.
6. Alrifae, A. A. M., Alhabeeb, A. A., Alhanatleh, H., & Alnajdawi, S. (2025). Exploring the role of succession planning and talent development in enhancing organizational agility: The case of Saudi banking. Sustainability, 17(24), 11215.
7. Levallet, N., & Chan, Y. E. (2019). Organizational knowledge retention and knowledge loss. Journal of Knowledge Management, 23(1), 176-199.
8. Yadav, S., & Sharma, S. (2024). The importance of employee retention: Building the foundation for sustainable businesses. SUSTAINABLE, 88.

9. Awogbemi, J. A., Abubakar, H. L., & Oluwade, O. D. (2022). Effect of succession planning strategies on the sustainability of family businesses in Nigeria.
10. Kifordu, A. A. (2024). The relationship between succession planning and survival of family business in Delta State, Nigeria. Journal of Global Economics and Business, 5(17), 1-24.
11. Tojue, O. G., Chinda, C. C. C., Obiora, A. O., & Obiora-Okafo, C. A. (2025). Succession management and sustainability of family owned small and medium enterprises (SMEs) in Enugu State. GAS Journal of Economics and Business Management (GASJEBM), 2(12), 162-176.
12. Balogun, O. T. (2024). Importance of succession planning in knowledge transfer and continuity: A case study of Hobark International Limited, Nigeria.
13. Bertram, M. (2016). Theoretical foundation: the resource-based view (RBV) of the firm. In The strategic role of software customization: Managing customization-enabled software product development (pp. 67-102). Wiesbaden: Springer Fachmedien Wiesbaden.
14. Bano, Y., Omar, S. S., & Ismail, F. (2022). Succession planning best practices for organizations: A systematic literature review approach. International Journal of Global Optimization and Its Application, 1(1), 39-48.
15. Vadeboncoeur, D., Pellerin, R., Danjou, C., Magnani, F., & Joblot, L. (2026). Daily job rotation strategies in Industry 5.0: A literature review on operational and human-centric outcomes. Journal of Industrial Engineering and Management, 19(2), 327-356.
16. Johnson, W. B., & Griffin, K. A. (2024). On being a mentor: A guide for higher education faculty. Routledge.
17. Durst, S., & Wilhelm, S. (2012). Knowledge management and succession planning in SMEs. Journal of Knowledge Management, 16(4), 637-649.
18. Blanchard, P. N., & Thacker, J. W. (2023). Effective training: Systems, strategies, and practices. Sage Publications.
19. Abubakar, A. M., Elrehail, H., Alatailat, M. A., & Elçi, A. (2019). Knowledge management, decision-making style and organizational performance. Journal of innovation & knowledge, 4(2), 104-114.
20. Odion, H. A., & Uabor, E. (2025). Succession management and service delivery in public sector in Nigeria: A focus on Edo South Senatorial District Local Government Area of Edo State, Nigeria (2016–2020). Journal of Management Science and Career Development, 10(7), 88–101
21. Dike, G. N., Idemobi, E. I., Okafor, C. N., Anyika, M. I., Obiezekwem, J. C., & Nwankwo, E. E. (2025). Succession planning and sustainability of family businesses in South East, Nigeria. British Journal of Marketing Studies, 13(2), 1–18.

22. Klugah, G. E., Korang, V., Essilfie, F. R., & Zingnaa Iddrisu, M. A. (2025). The mediating role of succession issues in succession planning, family influence and successor attributes on SME performance in emerging economies. Cogent Business & Management, 12(1), 2551282.
23. Anukwu, C. P., Eluka, J. C., Nwagbala, C. C., & Ezenokwasa, F. N. (2025). Effect of succession planning on organizational performance of Nigerian Breweries in South East, Nigeria. International Journal of Business and Management Research, 11(1), 45–60.
24. Okparanta, C. N. (2025). The relationship between succession planning and organizational performance in the Nigerian hospitality industry. African Journal of Hospitality and Tourism Management, 9(2), 73–89.
25. Olusanya, O. A., Makinde, O. G., & Akpa, V. O. (2025). Effect of succession management practices on firms' growth: Study of avipreneurship SMEs in Ogun State, Nigeria. Strategic Journal of Business and Change Management, 12(3), 215–233.
26. Creswell, J. W., & Creswell, J. D. (2023). Research design: Qualitative, quantitative, and mixed methods approaches (6th ed.). SAGE Publications.