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Succession Planning and Family Business Transgenerational Orientation

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Abstract: Family businesses are instrumental to economic growth and development; however, the inability of most family businesses to survive beyond five years, let alone attain a transgenerational status, has remained a source of concern for governments and managers globally. Hence, it is crucial to address fundamental issues that would account for their long-term survival, especially in developing economies where family businesses serve as a functional source of employment and means of livelihood. Therefore, this study assessed the effect of succession planning on the transgenerational orientation (TGO) of family businesses and the moderating role of first-born primogeniture rights in the relationship between succession planning and the TGO of family businesses in Nigeria. The study sampled 268 family-owned Small and Medium-sized Enterprises (SMEs), and data analysis was conducted using Hayes PROCESS Macros simultaneous entry analysis on SPSS v27. The study found that succession planning significantly affects the TGO of family businesses, and the presence of first-born primogeniture rights significantly moderates the relationship between succession planning and the TGO of family businesses in Nigeria. The study provides a new perspective on family businesses by accounting for complementary variables that emphasize the role of succession planning in achieving TGO. As a contribution to knowledge, the study validates systems theory.

Keywords: family business, first-born primogeniture right, succession planning, transgenerational orientation

1. Introduction

Family business remains the oldest form of business organization, as it epitomizes the economic backbone of all nations by representing an unbeatable landmark in the creation and redistribution of wealth, provision of numerous employment opportunities, and the accumulation of foreign reserves [1, 2]. Marcus and Ekperi [3] opined that, economically, family businesses contribute to the provision of goods and services and immensely to global GDP.

Cheng et al. [4] assert that the importance of family businesses is highly acknowledged worldwide; however, the survival rate of this subsector of the economy beyond the founder's generation is alarmingly low, as many of these businesses have suddenly become mortal, just like their founders. The growing high mortality rate of many promising and vibrant large family businesses explains the increasing interest of scholars in issues related to the transgenerational orientation (TGO) of family businesses.

TGO connotes the desire to see a business transcend generations [5]. It involves decisions and actions that define the long-term survival and sustenance of the family business [6, 7]. However, these decisions are not resources but rather neutral external and internal management actions that determine the continuing survival of the business across generations [5, 8].

Siaba and Rivera [9] asserted that poor decision-making mechanisms remain a major factor contributing to the failure of most family businesses. Quite notable is the fact that some of these businesses that have failed in the past have taken decisions and outlined visions and missions that indicated an orientation toward transgenerational transition. This raises questions about the role that experience with succession plays in building the TGO of family businesses. This has become necessary given the challenges faced by family businesses in building TGO, especially as families expand and individuals begin developing personal interests. As such, there is a need to account for the role succession planning plays in ensuring there is no conflict of interest that could lead to unfavorable behaviors, ultimately affecting the sustainability of the business [10].

Arregle et al. [11] posit that for an organization to survive early mortality, volatility in the business environment, and sporadic government interference, the solution lies in the implementation of a people-oriented leadership succession roadmap capable of producing highly intelligent and suitable successors. These successors should emerge through mentorship under transformational leadership, which fosters creativity, innovativeness, and competitiveness in the international economy. However, understanding the process through which succession planning contributes to the TGO of family businesses remains unclear and under-researched, as succession planning is a family role. Limited studies have explained how this family role contributes either favorably or unfavorably to the TGO of family businesses.

A unique feature of Nigerian family businesses is their deep-rooted connection to cultural values, such as the primogeniture right, where the first male child is often expected to inherit and manage the family business. This practice, while culturally significant, often overlooks meritocracy and the qualifications of potential successors, creating challenges in ensuring business continuity.

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Another distinct characteristic is their informal management style, with decision-making typically concentrated in the hands of the founder or patriarch, which can limit innovation and adaptability in an increasingly competitive business environment.

The prevalence of family businesses in Nigeria highlights their importance to economic stability and community livelihoods. However, despite their significance, Nigerian family businesses are plagued by a high mortality rate. Reports indicate that approximately 70% of family businesses fail to transition to the second generation and only about 10% survive into the third generation [12]. This alarming trend underscores the need for effective succession planning.

Nigerian family businesses currently suffer from succession issues driven by a combination of cultural and economic factors. For example, the primogeniture system often prioritizes familial hierarchy over competence, resulting in the appointment of ill-prepared successors. Additionally, a lack of formalized governance structures and succession frameworks exacerbates these challenges, as founders rarely prepare for a smooth transfer of leadership. This issue is further compounded by external factors such as Nigeria's volatile economic environment, weak institutional support, and political interference, which place additional pressure on family enterprises.

There are limited studies that have accounted for the influence of male firstborn primogeniture rights on the TGO of family businesses. This has become necessary given that succession decisions are emotionally complex [13], and family principals often face the need to make decisions based on both economic and non-economic factors [14]. As such, there is a need to explore the influence of male firstborn primogeniture rights on the TGO of family businesses.

Additionally, succession problems in family businesses are widely recognized in extant literature [15, 16]. However, few studies have made efforts to shed more light on the role of family successors in influencing the ability of a business to develop a future-driven orientation. This justifies the need to assess the moderating role of male firstborn primogeniture rights in succession planning and TGO. This paper adopts a paradigm shift from conventional "family-owned enterprise" literature by focusing not only on next-generation members but also on incumbent family successors.

Furthermore, many contradictions have been identified in the extant literature regarding the relationship between succession planning and the TGO of family businesses, particularly when applied to different levels or stages of enterprise life cycles. To logically address these contradictions, this study presents a broader perspective by thoroughly examining family characteristics and compositions, while taking into account the complex history and resulting sociocultural practices.

This research offers two major contributions to the literature. First, it provides researchers worldwide with a comprehensive understanding of family businesses in the context of an emerging economy, particularly in the areas of succession planning and TGO. It highlights research gaps originating from theoretical and methodological shortcomings and suggests ways to advance future scholarship. Second, it examines the role of traditional succession practices, particularly the male firstborn primogeniture right, in facilitating family business transgenerational transitions in Nigeria, offering valuable insights for global researchers seeking to advance knowledge in this area.

2. Literature Review

The theoretical foundation for this study is systems theory. Developed by Ludwig von Bertalanffy in the 1940s, systems theory posits that organizations function as interconnected, interdependent systems where each part influences the whole. The theory assumes that an organization, such as a family business, is a dynamic, open system that adapts to both internal and external changes to maintain balance and achieve long-term goals. In this study, systems theory provides a framework for understanding how different elements—such as succession planning, family dynamics, and TGO—interact to influence business continuity. The firstborn primogeniture right acts as a moderating factor within this system, potentially affecting succession decisions and the cohesion of the business as it transitions through generations. This theoretical perspective underscores the importance of balance and adaptability in family businesses to sustain their legacy and foster growth across generations.

The systems theory approach depicts the family business as a three-dimensional structure comprising the family, ownership, and management subsystems. To sustain the founder's legacy and ensure successful transgenerational transformation, all three subsystems of the family business must be simultaneously developed, as the health of the business depends on their parallel developmental processes.

According to systems theory, it is possible for individuals to overlap these sectors and belong to two or even all three circles simultaneously, provided they have multiple connections with the family business. The theory highlights the existence of numerous categories of family businesses with varying ideologies and philosophies, such as ownership-first, management-first, or family-first orientations. Managing these differing ideologies, norms, and generational expectations adds complexity to the already intricate dynamics of family-owned businesses.

2.1. Succession planning and family business firstborn orientation

Manzano-García et al. [17] opine that family firms are profit-making-oriented organizations in which the majority of shareholdings are acquired by two or more members of a nuclear or extended family with the aim of transferring the business to the upcoming generation at the right time to ensure its continuity. Kifordu [18] avers that family-controlled enterprise has been acknowledged as the pioneer and cornerstone of modern business activity around the globe, while dominating the economic landscape of virtually all nations worldwide. Aladejebi [19] opines that the lifespan of family-controlled enterprise is usually very short, since only a few survived the transgenerational transformation to the second generation, and hardly one-third made it to the third generation.

Promise-Elechi and Onuoha [20] avert that the uncommon benefits and characteristics shared by members of the same family (father, mother, brothers, sisters, cousins, and so on) in the family-controlled enterprises are a major source of unbeatable strength in terms of competitive edge advantage over their non-family businesses counterparts around the globe. Shared business vision, historical events, sense of belonging and identity, honesty, dedication and commitment to business ideology, and love for and loyalty to each other and their businesses distinguished family from non-family businesses.

Today, family-owned enterprises are found in almost all parts of the world, as they are found in all the nooks and crannies of virtually all nations around the globe, turning around the fortunes of the global economy. Family-owned businesses are crucial for the world's economic growth and development as they constantly shoulder the creation of new business start-ups as well as the expansion and diversification of existing businesses through vertical and horizontal integration [21].

Succession planning provides a roadmap guiding an organization in the process of identification and development of a highly intelligent pool of suitable new leaders to replace the incumbent leaders when they eventually retire, leave, or when death strikes. Modern succession planning is not only about finding replacements for top-level managerial roles, but it's also about finding the right talent at all levels of management and preparing them for the next role in all strategic areas in the organization [20].

Olagunju et al. [21] assert that succession planning represents a blueprint for any organization that desires to be successful in today's highly competitive business environment as it helps in capacity building and cultivation of an unbeatable pool of talented workforce well equipped to withstand the rage of leadership storms through business expansion, diversification, or even geometrical development at any time. The size of the business is not germane when it comes to succession planning as it is important in all organizations for sustainability and longevity.

Timothy et al. [22] submit that succession planning is the mechanism through which suitable employees are identified and properly developed through mentoring, training, and job rotation to serve as a safety net for an organization by taking over the mantle of leadership from key players as those key players' positions or offices become vacate for different reasons which include retirement, advancement, and attrition.

Leadership and other positions critical to the organization's mission and vision remain the main focus of succession planning in all organizations. Ifeoma et al. [23] shared that the succession planning exercise is an embodiment of strategic human resource management and not just about organizational leadership replacement only, but quite holistic in nature. Succession planning is a smart talent management strategy used by organizations to attract and drive the retention of talented employees as well as ensure that the organization has, in its pool of rare workforce, the right skills and expertise capable of withstanding the rapidly shifting sands that characterize today's turbulent business environment to achieve sustainability [24].

In the same line of argument, Dominic et al. [25] state that strategic succession planning is believed to be a systematic roadmap to leadership talent pool building capability to ensure intelligent leadership perpetuity. Under normal circumstances, family-controlled enterprises are expected to "groom and grow leaders" within their respective organizations through mentoring and coaching, among others, to ensure smooth transgenerational transition as well as talent retention. Therefore, succession is a continuous process and not simply a single step at a point in time or space that only takes place at once as it is very dynamic in nature requiring the application of different strategies and upgrading of the process at different points in time; it is a multistage and dynamic process that commences even before the entrance of heirs into the business.

Maroga et al. [26] aver that a large percentage of family businesses in developing countries are confronted with serious challenges in ownership and management transition between different generations of family members. Magasi [27] conducted research to find out about the factors responsible for the bad performance of many family enterprises after transgenerational succession found a significant correlation between the preparation of the successors, which is significantly influenced by the cordial relationship between family and business, and the effectiveness of the succession plan.

Agbim et al. [28] carried out another germane research to the current study to assess the effect of founders' leadership practices on the performance of the family firm. The findings revealed that family companies appear to perform excellently well during the first-generation founder's era compared to other generations. However, the absence of competency and managerial skills, experiences, and business knowledge of subsequent generations constitutes the major cause of the high rate of mortality among businesses that are jointly owned by the family.

According to Agbim et al. [28], the high rate of mortality in family businesses would continue to be recorded due to the absence of managerial competencies by the subsequent generations similar to that of the first-generation founders, a prerequisite for the effective management of the business. Contrary to other researchers' submissions, according to Magasi [27], neither the successor's level of orientation and preparation nor the degree of smoothness or effectiveness of the transition plan determines family business performance in the post-transition period.

Interestingly, researchers all over the world have carried out quite a large number of studies to determine the performance of family enterprises after ownership and management transition to the next generation. For instance, the study of Adkins et al. [29] focused on determining the factors that trigger successful succession planning and sustainability of family enterprises. The finding indicates a positive correlation between effective succession planning and sustainability of family enterprises. The study affirmed that a transition or succession plan should be prioritized and started the preparation process as soon as the family business takes off, while at the same time, the potential successors should be involved in the affairs of the business early enough to get acclimatized with the modus operandi of the business.

In another related study conducted by Nwafor [30], the results showed that the absence of, or poorly designed, succession plan is the major challenge confronting family enterprises. The results of the study of Dominic et al. [25] clearly showed that the majority of the founders or initiators of these family enterprises ab initio did not have the intention of sustainability in mind at all before death strikes, and hence, there was nothing like a succession plan. The study of Magambo et al. [15] also revealed that succession planning has an effect on the sustainability of small enterprises.

Conversely, another research conducted by Ogbechie and Anetor [31] examined the impact of succession planning on the continuity of family enterprises. The findings clearly showed that the lack of succession planning was an insignificant factor with respect to business succession challenges, as many family business enterprises investigated experienced firstborn transition even without any serious attention given to succession plans, and concluded that other multifarious factors abound responsible for poor transgenerational transitions in most of family enterprises that are in operation. Adkins et al. [29] findings revealed the existence of a strong positive correlation between effective succession planning and the organization's continuity and sustainability. Hence, we propose that:

H1: Succession planning would positively affect the transgenerational orientation of family-owned businesses in Nigeria

The moderating influence of transgenerational primogeniture right on the relationship between succession planning and transgenerational orientation

Succession planning as the roadmap guiding an organization in the process of identification and development of a highly intelligent pool of suitable new leaders to replace the incumbent leaders when they eventually retire, leave, or when death strikes is highly characterized by the orthodox use of hierarchies that deprive female daughters of any succession right in Nigeria [32]. Therefore, for the purpose of optimal results, succession decisions, when considering their importance to business continuity, are expected to be based on the competence and merit of the potential successors in family businesses.

However, quite unfortunately, most transition or succession decisions are made in accordance to ”traditional” preferences or choices of the departing founder-CEO, which subsequently constitutes a monster threatening the foundational existence of the business to mortality and, at the same time, highly detrimental to the national economy, as the “traditional” preferences of the departing founder-CEO is all about transgenerational primogeniture right of succession syndrome.

According to Schenkel et al. [33], succession decision that is highly contingent on birth order is not only found in Africa as it is also practiced in some parts of the world, like Europe, for instance. European tradition and laws have historically established clearly without any ambiguity that at the demise of the parents, the entire family property is automatically bequeathed to the firstborn sons by primogeniture right, and non-firstborns are left to the fate of finding occupation elsewhere or living at the mercy of the firstborn sons.

However, in Nigeria, birth order has for a long time been acknowledged as a determining factor for occupational roles. Unarguably, traditional patterns of succession, in recent times, have been fading and gradually being replaced by meritocracy. Orthodox use of hierarchies (and birth order) continues to play a very important role in firstborn transition intention within family businesses in Nigeria.

Francis [34] stated that the primogeniture right continues to dominate the family businesses’ value system and contributes to determine the long-term survival of the business, as the business would be handled over to the first son, who is also expected to hand it over to his own first son. Otu and Nabiebu [35] stated that a son, majorly transgenerational, is mandatory to be actively involved in the running of the affairs of the business, while a daughter is only given a choice to join the business—or even not invited at all. It is based on the belief that the son has a good understanding of the business and is expected to understudy from the father, who grooms the son to take over management of the business when he demises.

According to Sharma et al. [36], primogeniture represents a form of power transformation, which is extremely employed to set the rules against and deprive daughters’ succession rights. Historically, primogeniture right acknowledged men’s dominance, as well as determining how role allocation and control are applied in family businesses; this implies that decision about the future of the business would be made by the male alone, thus indicating that the decision to build succession around the cultural practice of firstborn male primogeniture right would affect the TGO of the family business, as succession is already defined as an orientation of the business. Thus, we propose that:

H2: Firstborn primogeniture right positively affects transgenerational orientation of family business

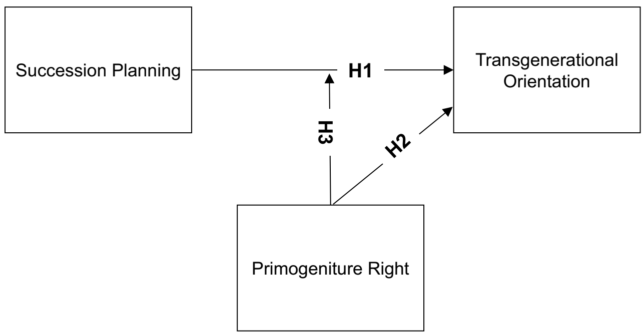
The succession dimension of TGO is critical to the foundational existence of family businesses as it focuses majorly on the mechanism and the methodology through which the leadership is expected to be passing successfully from one generation to the next generation uninterruptedly and encompasses issues such as succession processes, succession events, and succession plans [30]. However, with respect to TGO, research indicates that the controlling owners, particularly the proprietor or the founders, highly acknowledge the importance of succession planning as an essential determinant factor in achieving the successful transgenerational transformation of the family business from one generation to another [10]. However, the existence of cultural practices that define the succession plan of the business could help strengthen the uniformity in decisions that would ensure the continual survival of the business.

The firstborn male primogeniture right allows the firstborn male to be mentored by the father who is the original owner; as such, allowing the child having the first experience from the first owner and transferring the same to the children and using the pattern to ensure the business remains continually. The basic objective of embarking on succession plans is to make sure that family control over the business is not in any way diluted as well as ensuring that successors across generations remain the exclusive right of members of the family without any external rivalry or competition; however, this would not be possible when the primogeniture right is not properly defined.

In the Nigerian cultural setting, for anyone to be chosen or qualify as successor, it is a matter of necessity that such a person must be a member of the incumbent’s nuclear family, with an undiluted preference for male successors as dictated by the culture and tradition of male firstborn primogeniture right of succession. Hence, the major prerequisite condition to be met by the contestants in the office of the successor is to be the predecessor’s family members, followed by the other relational considerations that will finally lead to the choice of the right successor but which, in most cases, do not necessarily relate to birth order. Precisely, relational capital builder among the next-generation members of the family, loyal, tested and trusted with genuine entrepreneurial spirit and enthusiasm to serve family needs meritoriously, and most importantly, a visionary transformational leadership charisma coupled with shared vision with the incumbent have greater chances to succeed the incumbent and access the CEO suite unopposed. Figure 1 shows the diagrammatic illustration. Thus, we propose that:

H3: Next-generation primogeniture right positively moderates the relationship between succession planning and transgenerational orientation

Figure 1
Theoretical relationship showing the link between firstborn primogeniture right and the relationship between succession planning and transgenerational orientation



3. Methodology

3.1. Research design

The study employed descriptive cross-sectional research. The adoption of this design approach was informed by the complex nature of succession in the Nigerian context.

3.2. Participants

The study sampled 268 family-owned SMEs that were randomly selected from registered firms with the Corporate Affairs Commission in Nigeria.

3.3. Instruments

The study relied on only primary data since no available secondary sources could provide relevant data to answer the study objectives. These data were obtained using a structured questionnaire. The questionnaire was validated and confirmed for reliability. Succession planning was measured using the instrument of Ali et al. [37]. The instrument has four items, and samples from the scale are "Our organization explicitly has a succession plan" and "Succession pattern is defined in our organization." The scale was designed in a Likert scale format with responses ranging from strongly agreed (5) to strongly disagreed (1). We assessed for reliability using Cronbach's alpha, and the result indicates a coefficient value of 0.811, indicating the instrument is reliable [38]. The instrument was subjected to content validity. The three experts evaluated the items, and Vscale ratio of 0.754 was obtained.

The male firstborn primogeniture right of succession was self-designed, based on the theoretical background from the extant literature. The initial items on the scale were three and measured using a Likert scale format, ranging from strongly agreed (5) to strongly disagreed (1). The instrument solicited responses on "whether the leadership of the business has been based on the first-born of the founder," "the selection of leader was open to all family members," and "whether the outgoing CEO was the firstborn." We conducted Exploratory factor analysis (EFA) using a pilot study of 150 samples, and this led us to drop the third item ("whether the outgoing CEO was the firstborn"), as it loaded separately and the factor loading was below 0.60, which Hair et al. [38]. Hence, we used two items to measure the variable. Reliability result of the scale shows an index of 0.811, thus indicating high reliability [38].

The study adapted the scale developed by Frank et al. [7] to measure firstborn orientation. The scale consists of three items and was designed on a 6-point Likert rating scale ranging from (1) – does not apply at all to (6) – completely applies. However, this paper adopted a composite index measure of the scale. Samples of the scale are "In our family business, we focus on future generation," "We make effort to ensure that non-family members do not buy the business in the future" We assessed for reliability using Cronbach's alpha, and the result indicates a coefficient value of 0.732, indicating the instrument is reliable [38]. The three experts evaluated the items for content validity, and Vscale ratio of 0.812 was obtained.

3.4. Control variable

We also assessed certain control variables that are common in family business, and this was done so as to strengthen the study model. Business age and business size were controlled for in the study, and this is in line with the fact that it has been established theoretically that business age and size have a positive relationship with TGO [10, 39, 8]. The natural logarithm of the year of creation of the business (business size) and the number of employees (business size) as of December 2019 was used to ensure a more linear sample distribution. The data were transformed into a dummy coded as 0 and 1.

The analysis of data was done through the use of Hayes PROCESS Macros simultaneous entry analysis on SPSS. The choice of the technique is because of its ability to assess the direct, indirect, and total effect. The bias-corrected bootstrapping method was used to determine the statistical significance of the model.

4. Results

The returned instruments and suitable questionnaires were two hundred and five (205) of the two hundred and sixty-eight distributed, which is about 76% of the total instruments. Further analysis was carried out using these instruments that were found suitable. We conducted Harman's one-factor test to assess for possibility of common method variance, and the result showed four factors, with none of the factors accounting for more than 50% of the variance explained, thus indicating the absence of bias [40, 41]. We had earlier separated the instrument into sections, and this was done to reduce bias. We also collected data on the gender of the respondents, and the result shows that the male respondents were 96 (47%), while the female respondents were 109 (53%). The study had more female respondents who participated in the study. This is a deviation from previous studies that have accounted for more male participants. The descriptive result also shows that 68 (33%) had a higher university degree, 86 (42%) had only a university degree, while 51 (25%) had secondary education. Table 1 shows the

The result showed a good spread of the response from the mean values of the variables. The average variance explained (AVE) was used to determine the convergent validity. Holmes-Smith et al. [42] recommended a minimum threshold of 0.50 to confirm satisfaction of validity. The result from Table 1 shows that the convergent validity was satisfied as all the variables satisfied the threshold. Further, supporting the validity of the measurement instrument.

Discriminant validity of the model was satisfied, given that the squared correlation is higher than the correlation values [43]. The result shows that succession planning moderately relates with male firstborn primogeniture right (r = 0.518, p < 0.05). Also, succession planning moderately relates with TGO (r = 0.554, p < 0.05). This implies that a greater level of succession planning will produce a more effective TGO. Male firstborn primogeniture right shows a high positive relationship with TGO (r = 0.619, p < 0.05). However, the result shows that business size and business age positively relate with TGO, though the relationship is not significant (r = 0.38, p < 0.05). This implies that business size and business age do not really affect the TGO of firms. This is a deviation from previous studies that have found firm size and age as significant to TGO [10, 39, 8]. This deviation from previous findings could be because most of the family businesses in the country are relatively small. An internal consistency measure of reliability was conducted to determine the reliability of the instrument, and the obtained Cronbach's alpha coefficient was above 0.60, thus indicating the scale was reliable [38].

We conducted a confirmatory factor analysis to confirm the fitness of the overall model, as shown in Figure 2. The threshold for each model fit indicator should for Comparative Fit Index (CFI) = ≥ 0.90, Goodness-of-Fit Index (GFI) = ≥ 0.80, Normed Fit Index (NFI) = ≥ 0.90, and root mean square error of approximation (RMSEA) = ≤ 0.05 [44, 45]. Careful comparison of the results obtained, as presented in Table 2, and the threshold recommended by scholars thus indicates that they were all within the stipulated range for acceptance. Further, we assessed the existence of a multicollinearity problem through the use of the variance inflation factor (VIF), and the result indicates an absence of the problem, as all values were below the threshold of 2.

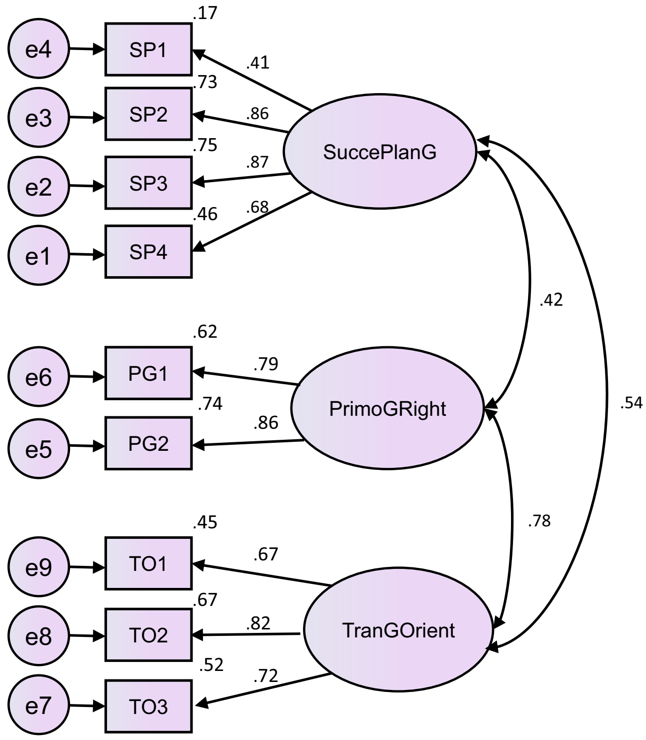
Table 3 above shows the summary of the hypothesis test results on the variables of the study. The result confirms there is a significant positive relationship among the variables, and 46.4% of

Table 1
Descriptive analysis

		Mean	SD	AVE	Succession planning	Primogeniture right	Transgenerational orientation	Business size	Business age
1	Succession planning	13.815	3.442	0.528	0.727				
2	Primogeniture right	5.810	0.376	0.681	0.518**	0.825			
3	Transgenerational orientation	9.068	3.014	0.544	0.554**	0.619**	0.738		
4	Business size	0.444	0.498	–	–0.060	0.022	0.038	–	
5	Business age	0.585	0.494	–	0.090	0.120	0.134	0.015	–
Cronbach alpha ∞		–	–	–	0.783	0.803	0.775	–	–

NB: Diagonal is the square root of AVE; **. Correlation is significant at the 0.01 level (2-tailed).

Figure 2
Confirmatory factor analysis



changes in TGO account for changes in the independent variables (succession planning and male firstborn primogeniture right). The result also confirms that the model is fit, given the F-value (34.395, $p < 0.05$). Also, the result shows that succession planning has a significant influence on TGO of family businesses ($\beta = 0.273$, $p < 0.05$). Hence, the study's hypothesis one was accepted. Further, the result confirms that male firstborn primogeniture right has a significant positive effect on TGO ($\beta = 0.578$, $p < 0.05$). Hence, hypothesis two was accepted. The result further confirms that male firstborn primogeniture right moderates the relationship between succession planning and TGO of family business. Although the relationship is significant, the relationship shows it is negative; as such, it implies that male firstborn primogeniture right negatively affects firms' succession planning efforts focused toward ensuring transgenerational existence of the business.

5. Discussion

This paper examined the moderating role of the transgenerational male primogeniture right in the relationship between succession planning and the TGO of family businesses. The results supported the finding that succession planning significantly influenced the TGO of family businesses. This finding aligned with the studies of Dominic et al. [25] and Nwafor [30], which also concluded that succession planning contributed to the TGO of family businesses. However, the result differed from the findings of Ogbechie and Anetor [31]. The variation in findings could be attributed to the smaller sample size of family businesses in their study. The result highlighted the importance of family business owners engaging in succession planning to achieve their generational transition objectives.

Furthermore, the results indicated that the firstborn male primogeniture right had a significant positive effect on TGO. This

Table 2
Fit indices for succession planning, male firstborn primogeniture right, and transgenerational orientation

Fit indices	$\chi 2$/df	GFI	CFI	IFI	NFI	RMSEA
Structural model	5.382	0.879	0.975	0.976	0.952	0.047

Table 3
Result summary on succession planning, male firstborn primogeniture right, and transgenerational orientation

			Coefficient	*SE*	*t*	*p*
Constant		*iy*	8.822	0.295	29.899	< 0.05
Succession planning	*(X)*	b_1	0.273	0.055	4.984	< 0.05
Primogeniture right	*(W)*	b_2	0.578	0.080	7.249	< 0.05
Succession planning × primogeniture right	*(XW)*	b_3	–0.042	0.021	–0.2.00	< 0.05
Business age	*(C)*	b_4	0.305	0.320	0.955	0.341
Business size	*(C)*	b_5	0.288	0.315	0.913	0.362
		$R^2 = 0.464$, $MSE = 4.995$				
		$F = 34.395$, $p < 0.05$				

Dependent variable:* Transgenerational orientation *** p < 0.05

finding aligned with the perspective of Francis [34], who argued that primogeniture rights ensured the long-term survival and sustainability of family businesses. It also supported the view of Sharma et al. [36], who noted that the transfer of power through primogeniture rights contributed significantly to the growth of family businesses. This finding validated the hypothesis that firstborn males, who typically understudied the family business under their father's mentorship (as the original owner), developed a stronger orientation, enabling faster decision-making and enhancing the long-term existence of the business.

However, the results further revealed that the firstborn male primogeniture right moderated the relationship between succession planning and the TGO of family businesses. Although this relationship was statistically significant, it was negative. This suggested that the transgenerational male primogeniture right negatively impacted the effectiveness of succession planning efforts aimed at ensuring the transgenerational survival of the business. Surprisingly, this result contradicted the theoretical postulation of the study, which proposed that defining succession plans around the firstborn male primogeniture right would strengthen succession efforts and improve the firstborn orientation of family businesses.

This outcome challenged the patriarchal and collectivist societal belief that particularistic norms, such as designating successors based on the firstborn male primogeniture right, inherently ensured the long-term existence of family businesses. Instead, it suggested that such practices hindered the development of effective succession planning strategies.

6. Conclusion and Policy Recommendations

The study advanced new knowledge of family business by assessing the link between succession planning, male firstborn primogeniture rights, and the TGO of family businesses. This paper contributed to closing the empirical gap in family business literature regarding primogeniture rights and their influence on TGO, particularly focusing on the male firstborn, a practice common in some parts of Europe and Africa. In response to scholars' calls for further examination of succession planning practices in family businesses from developing economies, this study addressed these calls by selecting firms from sub-Saharan Africa. It was highlighted that the practice of male firstborn primogeniture rights contributed little to the succession plan and the transgenerational transition of family businesses. Thus, family business owners were advised to direct their succession plans toward developing individual capacity, identifying competence and interest, and not basing decisions on the gender of family members.

Furthermore, the study validated the system's theory, emphasizing its relevance in explaining succession planning and TGO in family businesses. The theory provided meaning to the study's outcome and served as the foundational basis for undertaking the research. The study had societal implications, particularly for developing economies, highlighting the need for plans that focus on ability and interest rather than gender. Succession planning should be focused on selecting individuals who have an interest in the future sustainability of the business, rather than focusing on immediate benefits.

The practical implication of the study was based on the finding that succession planning was instrumental to the firstborn survival of family businesses. This implied that family business owners should develop succession plans, but those plans should be articulated to strengthen the various spheres of the business while also considering future leadership needs, since the ultimate goal was generational continuity. This approach was necessary to create a succession culture that guided the selection of leaders and helped reduce the challenges associated with finding effective successors in the event of the original owner's or subsequent leaders' demise.

Finally, we designed and validated a questionnaire to measure primogeniture rights, given the absence of a validated instrument for measuring this concept. Future studies can adopt or adapt this instrument for their own research. The study also explained the process linking succession planning to firstborn orientation in family businesses. However, somewhat unexpectedly, it was found that the firstborn male primogeniture right contributed negatively to this relationship, exposing family businesses to potential failure and discontinuity.

The study was limited to a survey design, and future studies should collect longitudinal data to provide new insights into the variables of the study, as succession planning is not a one-time organizational practice. Additionally, the study focused only on male firstborn primogeniture rights. While this was a significant contribution to the literature, future studies should explore cultures that are not gender-sensitive in relation to primogeniture rights. The study was also limited to small-scale family businesses, as most surviving family businesses, despite many years of operation, were still small-scale firms. Future studies should consider sampling from both large, small, and nascent family-owned businesses. Despite these limitations, the study produced enriching findings that opened new areas for theoretical discussion and knowledge advancement.

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Ethical Statement

This study does not contain any studies with human or animal subjects performed by any of the authors.

Conflicts of Interest

The author declares that he has no conflicts of interest to this work.

Data Availability Statement

The data that support this work are available upon reasonable request to the corresponding author.

Author Contribution Statement

Ejikeme Emmanuel Isichei: Conceptualization, Methodology, Validation, Investigation, Resources, Data curation, Writing – original draft, Writing – review & editing, Visualization, Supervision, Project administration, Funding acquisition.

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