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ENHANCING SUCCESSOR PREPAREDNESS: SUCCESSION STRATEGIES IMPACTING ORGANIZATIONAL SURVIVAL THROUGH SUCCESSORS' SELF-EFFICACY IN NIGERIA

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ABSTRACT

Aim/ Purpose/ Background	Many business organizations in Nigeria face the risk of failure due to their inadequate preparation of individuals to assume leadership following the CEO's exit. As such, the survivability challenge may arise partly from the lack of comprehensive training and development of successors. Given this, the study aimed to examine the impact of selected succession strategies (i.e., successor involvement in management, mentoring, and leadership training) on organizational survival by accounting for the mediation of self-efficacy.
Methodology	This study adopted a cross-sectional research design by surveying SMEs in Nigeria with a well-structured questionnaire. We randomly collected data from 315 family-owned businesses in Lagos State and tested them using the partial least squares analytical protocols.
Contribution	This study adopted a quantitative approach to determine how successor involvement in management, mentoring, and leadership training affects organizational survival in an integrated research framework.
Findings	The study found that successor involvement in management and mentoring significantly impacted organizational survival; however, leadership training's effect was insignificant. Furthermore, self-efficacy significantly and partially mediated

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	the relationships among the three succession strategies and organizational survival.
Recommendations for Practitioners	The study recommends that firms should consider the three strategic approaches (i.e., successor involvement in management, mentoring, and leadership training) in succession planning, as they contribute to increasing self-efficacy and organizational survival. It is essential to elicit feedback periodically to determine the effectiveness of these strategies. Second, given the centrality of self-efficacy in the strategy-survival link, firms should link these strategies, which have varied effects on organizational survival, to self-efficacy development.
Recommendations for Researchers	To develop a more comprehensive model that organizations can use, researchers should examine alternative strategies that may be useful for maintaining consistent performance.
Impact on Society	A productive society is characterized by resilient business organizations that can significantly contribute to various economic parameters, even in the face of changes and challenges. This study plays a crucial role in fostering sustainable organizations by focusing on the preparedness of successors.
Future Research	It would be beneficial to expand this research geographically to improve the generalization of results. Second, other studies could test alternative succession strategies, given that the involvement of successors in management, mentoring, and leadership training moderately accounted for variations in organizational survival. Third, this study only examined the mediating role of self-efficacy; research has shown that there are other related psychological constructs (e.g., resilience, hope, and trust) of comparative value to sustaining businesses.
Keywords	mentoring, self-efficacy, succession, successor involvement, training, firm survival, family business, Nigeria

INTRODUCTION

Succession planning is critical to the performance and success of businesses. Nearly every successful firm faces the issue of succession, which is required in the event of the death, retirement, or resignation of the chief executive officer [CEO]. This means that firms should improve their readiness for change to ensure survival in a rapidly evolving business landscape. In this context, survival (also known as business continuity or business sustainability) is the ability of firms to maintain steady business growth over time, often despite changes, challenges, and uncertainties. It is a fundamental indicator of organizational performance, reflecting the stability of operations, ownership, and solvency (Josefy et al., 2017). However, a recent study (Syarif et al., 2024) observed that 70% of succession plans fail due to organizational unpreparedness to effectively nurture individuals to assume leadership following the exit of the CEO. The ability of firms to prepare individuals for change becomes crucial to mitigate the risk of succession failure. According to research (Nwuke et al., 2020), about 50% of businesses may either close or face the risk of failing during leadership transition. The prevalence of family businesses in Nigeria makes this low survival rate a cause of concern, given that they make up 80% of businesses, with just 33% surviving beyond the third generation (Ayodeji, 2019). Arguably, the survivability challenge may arise, partly, from the lack of comprehensive training and development of successors (Nwuke & Agu, 2024; Olayemi & Gbadamosi, 2024). Nwuke et al. (2020) found that the preparation level of successors influenced business continuity. Given that succession is inevitable, what theoretically informed strategies can firms employ to prepare and position successors for success? The study focuses on the following strategic approaches to ensuring business continuity: (1) involving successors in management; (2) providing mentorship; and (3) supporting leadership training.

The research defines the three succession strategies as follows. Successor involvement in management [SIM] allows for participation in strategic decision-making. Mentoring enables successors to receive guidance and knowledge from more experienced individuals within or in the same line of business. Leadership training [LT] facilitates the development of leadership capabilities through a well-structured, coordinated learning program. The principal argument for these strategies stems from ensuring future top managers engage in active learning to build the competencies required to grow and sustain a business. Individuals must meet the competency requirements for their job to close the competency-performance gap. The human capital theory [HCT] views people as a malleable form of capital. According to the theory, firms can build business sustainability by investing in the competency development of their successors. Such an investment could lead to successors acquiring knowledge-based advantages critical to organizational growth. The CEO's trust in the credibility and competence of their successors underpins their desire and support for succession (Nwuke et al., 2020). Research shows that employee participation, training, and mentoring advance specific competencies that help firms remain competitive and successful. Even though these strategies offer opportunities for personal development and growth, studies on succession have not yet demonstrated their effectiveness in preparing successors for leadership roles or the outcomes they lead to in succession situations (Monyei et al., 2021).

Another factor to consider is the successors' self-efficacy. Self-efficacy is a positive psychological state of development characterized by a successor having confidence or belief in one's ability to mobilize resources needed to execute and complete specific tasks to attain desired goals successfully. While individuals must be competent to influence the value-creating pathways for accelerated growth, confidence in one's abilities to perform and succeed in creating value is also important. Ferrari (2023a) examined the factors impeding succession planning in family businesses and found that founders' low perception of successors' self-efficacy accounted for the unwillingness to pass down control of the firm to the next generation. This suggests that effective succession plans require steps to foster the development of self-efficacy. Msimango-Galawe and Mazonde (2024) found that gaining experiential knowledge through human resource development processes could enhance firm performance; however, improving self-efficacy could make the influence more effective. Because succession involves change, it often presents novel demands and challenges that impact human functioning. This necessitates positive psychological qualities that enable individuals to manage negative experiences and emotions to promote optimal functioning in dynamic situations (Caprara et al., 2022). The self-cognition of their abilities, as marked by the efforts exerted in value creation, suggests that self-efficacy predicts readiness for change. Research shows that self-efficacy is a psychological antecedent of firm performance, but most studies have focused on entrepreneurs, founders, managers, and MBA students (Cumberland et al., 2015; Newman et al., 2019). While elevating firm performance improves organizational survival, there is still limited understanding of how successors develop their self-efficacy and whether this development promotes business continuity.

The informing science perspective of Cohen (2009) suggests that a single-pronged approach cannot manage the intricate succession challenges faced by firms. While each strategy has proven to solve known problems in organizations, a single strategy often fails to successfully manage the contemporary challenges facing firms due to their uncertainty, complexity, and ambiguity. Only a multifaceted strategic approach, which integrates the benefits of diverse perspectives relevant to a specific problem context, can effectively enhance our understanding of managing succession problems. An array of factors influences a successor's behavior, and they work together to amplify their overall benefits to individual development and growth. Therefore, research should adopt a multidimensional approach to inform leadership development processes. Rumanko et al. (2021) suggest that leadership development may differ among businesses, but the premise for implementing such initiatives is that only a well-prepared and competent successor can ensure organizational survival.

This study aims to delve deeper into the effects of SIM, mentoring, and LT on organizational survival in Nigeria. The study also examined self-efficacy as a mediating mechanism, as it significantly

contributes to the viability of succession plans by assuring founders about the readiness of their successors to assume control of the business (Ferrari, 2023a). Moreover, there is a strong correlation between self-efficacy and firm performance. Hence, its development may be crucial for leadership and business continuity. Ayodeji (2019) observes that studies of this nature are usually qualitative; this study adopted a quantitative approach to determine the statistical significance or relevance of the strategic approaches. This research seeks to provide valuable insights and practical recommendations for family businesses, enabling them to ensure their continued prosperity and long-term survival through better successors' preparedness and optimal psychological functioning.

LITERATURE REVIEW

THEORETICAL BACKGROUND

The HCT asserts that implementing effective developmental plans helps prepare individuals by cultivating innate characteristics (e.g., knowledge, skills, and attitudes) that contribute to higher productivity and other desirable organizational results (Parks, 2018). Such strategic investments can produce distinctive, industry-specific competencies that meet the evolving, complex work requirements of a given organization or industry. The resulting competency development is associated with a range of positive business outcomes, including creativity, innovation, productivity, performance, competitiveness, and sustainability (Martini et al., 2024). The theory stressed that, for individuals to execute leadership functions effectively, firms should pay more attention to their leadership development strategies and outcomes. In view of this, business succession planning is a significant human capital development strategy aimed at nurturing successors through SIM, mentoring, and LT. HCT offers insights on the nexus between the succession strategies and organizational performance, assuming a linear and simple conceptualization of the relationship. However, it failed to capture how sustainable performance is attained by considering the complexity of human behavior and the roles of other forms of capital (e.g., psychological capital). The study argues that while these strategies are important, they need to be confident in their ability to mobilize competencies to achieve desirable outcomes. This perspective may explain why Kell et al. (2018) believed that there is a psychological dimension to the HCT.

The study incorporated social cognitive theory [SCT], a framework frequently utilized to elucidate the concept of self-efficacy. The theory states that individuals are influenced by external inputs (i.e., the learning environment created by the application of the specified succession strategies), which serves as a source of reinforcement for behaviors that benefit the organization. Considering that learning occurs within a social context, the reinforcements from the social modeling of one's competencies enhance confidence in actions that align with a firm's strategic posture, organizational context, and competitive environment. Arguably, SIM, mentoring, and LT function as external resources for successors to draw upon to build their self-efficacy beliefs. As individuals progress through different learning stages, their cognitive development leads to new forms of psychological adjustments for productive engagement in activities for organizational change, development, and growth. Individuals form psychological states that reflect the quality of their leadership training and development. The psychological change underlies their decisions within the organizational system. According to Round et al. (2024), self-efficacy demonstrates the extent of leadership development and predicts leadership emergence by considering one's motivation to lead and leadership identity. The evidence suggests that human capital development provides foundational opportunities to develop psychological capital, and psychological capital can strengthen human capital development's effectiveness. As informed by HCT and SCT, the study acknowledges the importance of leadership development and its ability to influence self-efficacy to ensure that businesses survive in a sustainable way.

SUCCESSOR INVOLVEMENT IN MANAGEMENT AND ORGANIZATIONAL SURVIVAL

The first strategy, involving SIM, entails giving them some level of decision-making authority or latitude within the business. It provides opportunities for collective learning, creates a sense of belonging, and fosters commitment to the planning process, which supports organizational effectiveness (Amah & Ahiauzu, 2013). While SIM enables them to identify psychologically and commit to the business, it also serves as a platform for hands-on training to manage job resources and demands. The competency development of successors, due to their involvement in management decision-making, is important in maintaining the stability and progress of the business during and beyond leadership transitions. Participation enables them to build productive and collaborative relationships with others, which helps foster knowledge exchange and positive team spirit. These benefits can help the successor reach their full potential. Arguably, a more involved successor may be more willing to embrace change; this makes the leadership transition process smooth and effective (Bah et al., 2024).

Olayemi and Gbadamosi (2024) argue that a successor's involvement in strategic decision-making ensures that they understand the nature and future direction of the business and develop competencies to fulfill the demands of their future roles. However, it is important for involvement to start early to enable them to develop a sense of obligation to assume leading roles in the business. LeCounte (2020) states that family firms should actively involve successors in strategic planning processes to improve their commitment to the business. Individuals who are not fully involved and committed tend to leave in pursuit of other career paths or business endeavors. The author found that family involvement strongly influences succession planning and the success of family businesses. Lanchimba et al. (2024) affirmed this finding, suggesting a strong association between family involvement and organizational success. Arguably, this strategy application reinforces the learning environment, enabling successors to understand the attitudinal and behavioral factors that impact their performance. Subsequently, the information empowers them to manage their strengths and weaknesses better. The study hypothesizes that:

H1: Successor involvement in management positively impacts organizational survival.

MENTORSHIP AND ORGANIZATIONAL SURVIVAL

The second strategy, providing mentorship, fosters a productive founder or a more experienced individual and successor relationship, which offers unique learning opportunities for professional growth and development. The individual with more experience systematically guides, advises, and supports successors over a specified period. Mentorship fosters the development of individual competency through the transfer of useful tacit knowledge, skills, and attitudes, and it is crucial for top managers, with their greater leadership experience, to instigate the desirable cognitive and behavioral changes for individual effectiveness and productivity. Given the above, mentoring plays three roles: psychological support, career support, and role modeling (Yang et al., 2024). Ghosh and Reio (2013) conducted a meta-analysis study that found positive outcomes for organizations encouraging and supporting mentoring relationships, such as job performance, intention to stay, organizational commitment, and career success. These outcomes are crucial for maintaining a resilient business organization. Samei and Feyzbakhsh (2016) studied the effect of mentoring on the nurturing of successors in family firms and found that mentoring helped in the competency development of successors. Giacumo et al. (2020) underscored the significance of mentoring for enhancing individual and organizational performance, suggesting that organizations must instill organizational values and culture in their future managers to ensure they can sustain their vision. By unfolding new and relevant contextual knowledge or understanding via tacit knowledge sharing, individuals can improve the value-creating pathways leading to business continuity (LeCounte, 2020). The study hypothesizes that:

H2: Mentoring positively impacts organizational survival.

LEADERSHIP TRAINING AND ORGANIZATIONAL SURVIVAL

The third strategy, supporting LT, utilizes systematic and planned learning processes to develop the attributes to engage and succeed in leadership roles. The business context is becoming increasingly complex and uncertain, and this requires firms to have leaders with a high level of development, given that they are a source of advantage in such a challenging context. With effective leadership, firms thrive and prosper. Training aims to bridge gaps in competencies to create an effective leader in various circumstances. Therefore, the emphasis is on acquiring competencies to elevate performance. Evidence demonstrates that effective leadership yields desirable individual and organizational outcomes, underscoring the importance of leadership training in adapting leadership capabilities for competitive advantage (Ononye & Maduemezia, 2024).

Furthermore, because the evolving environmental context presents opportunities and threats to the survival of firms, not all individuals possess the leadership toolkit for navigating change. This gap necessitates training to trigger behavioral changes for effective action. According to the OECD (2013), research consistently demonstrates that SMEs are less likely than larger firms to offer their employees formal training and skill development, primarily because they underestimate the benefits they provide to businesses. The limited training interventions may contribute to the unpreparedness of successors, as they lack the necessary leadership skills. However, Kragt and Guenter (2018) explored the effects of LT on leaders' effectiveness. They asserted that training clarifies role expectations to reinforce one's leadership identity and enhance effectiveness in the workplace. Focusing on the training-firm performance link, Alnoor (2020) examined the human capital dimensions and firm performance nexus and found that training, as an ability-enhancing practice, elevates firm performance in terms of survivability. Jacobsen et al. (2022) found that training enables individuals to develop high-performance work systems by integrating new and practical changes to enhance organizational effectiveness. This led to the formulation of the third hypothesis.

H3: Leadership training positively impacts organizational survival.

THE MEDIATION OF SELF-EFFICACY

Self-efficacy is a perceptible psychological state depicting confidence in one's ability to orchestrate specific courses of action to reach desired goals. It fosters positive expectations about future performance and amplifies motivational intensity to pursue goal attainment even in challenging or undesirable situations (Shen et al., 2021). Successors' belief about their capacity to deliver results helps them to control emotions for optimal individual functioning. The effective handling of emotions leads to successful development, adaptation, and change to situational demands (Caprara et al., 2022). People need to acquire relevant experiences via learning to enhance their self-efficacy (Shen et al., 2021). The resulting confidence allows them to adapt and apply the practicalities of these experiences to foster desirable performance outcomes (Msimango-Galawe & Mazonde, 2024). This psychological concept reinvigorates the perceptions of an individual's prospects in a chosen field, organization, or context. Ononye et al. (2022) assert that self-efficacy requires a learning environment to support goal setting, effort investment, persistence, and achievement in challenging situations. Cho et al. (2022) identified successors' competence and self-efficacy as priority variables influencing the succession process. The study supports the idea that considering and developing successors' capabilities and self-efficacy could prove useful in helping firms cope with the change that comes with succession.

Recently, Msimango-Galawe and Mazonde (2024) examined the relationship between self-efficacy and organizational performance, finding evidence of a positive and significant relationship between them. Other studies have focused on the antecedents of self-efficacy. For example, Ferrari (2023b) studied the relationship between training and self-efficacy, finding that training positively and significantly influences self-efficacy. Al Issa's (2024) research on the relationship between mentorship and self-efficacy revealed a positive relationship between them. Behraves et al. (2021) examined participation in decision-making and work outcomes and found that employees' participation in decision-

making strongly influences their self-efficacy. The study can infer an indirect effect based on the association of self-efficacy with participation in decision-making, training, mentorship, and organizational performance. This means that the utility of self-efficacy can provide contextual benefits that facilitate the relationship between succession strategies for competency development and organizational survival.

Newman et al. (2019) reviewed the antecedents and outcomes of entrepreneurial self-efficacy. The study revealed that participation, mentoring, and training allow individuals to feel efficacious about learning to improve their capacity to perform, persist, and succeed in a given role or activity. The study also argued for the mediating mechanism of self-efficacy in fostering entrepreneurial outcomes, such as entrepreneurial performance. The focus of this review was domain-specific to entrepreneurship; however, a recent study (Caliendo et al., 2023) suggested that general self-efficacy is relatively stable for successors within a few years following a leadership transition. Therefore, it may be a stronger predictor than entrepreneurial self-efficacy and positively influence more performance outcomes. Generally, self-efficacy has been identified as an important variable in the succession process (e.g., Cho et al., 2022), but a limited number of studies have examined its mediational utility and value in succession preparation for business continuity. Given this, the study hypothesizes that:

- H4:** Self-efficacy positively impacts organizational survival.
- H5:** Self-efficacy mediates the positive impact of successor involvement in management on organizational survival.
- H6:** Self-efficacy mediates the positive impact of mentoring on organizational survival.
- H7:** Self-efficacy mediates the positive impact of leadership training on organizational survival.

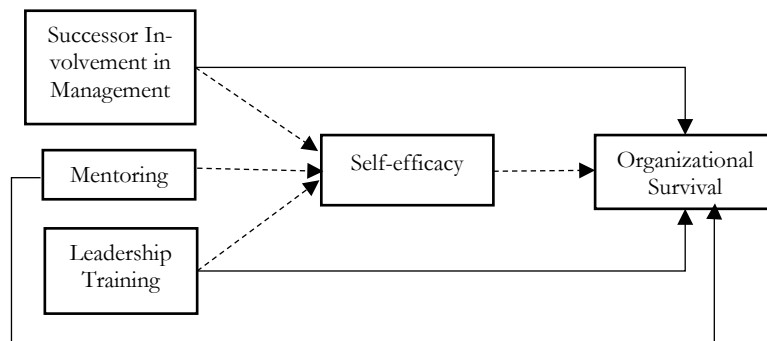


Figure 1. Research model

RESEARCH METHODS

PARTICIPANTS AND PROCEDURE

This study adopted a cross-sectional research design by surveying SMEs in Nigeria with a well-structured questionnaire. The survey was limited to family businesses from various sectors in Lagos State, the commercial capital of Nigeria. The lack of resources and the need to obtain information at a specific time led to the selection of this research design. The study's population comprises 11,643 SMEs operating in the state, 7,026 of which are family-owned businesses (Olayemi & Gbadamosi, 2024). Using the Yamane sampling formula, a sample size of 379 represented the study's population. In line with the aim of this research, this study focused on family firms that have undergone succession preparations through the development of successors. This study also focused on businesses that have been operating for more than five years, as many Nigerian SMEs struggle to sustain their business beyond this period due to a lack of survival strategies (Ukorebi, 2018). The first author visited the randomly sampled firms to obtain their informed consent to participate in the survey.

Additionally, data was collected from the founder (or CEO) and the successor. We asked the CEO to complete a coded questionnaire on succession strategies and organizational survivability and to present a similarly coded questionnaire on self-efficacy to the successor. We also provided envelopes to enclose and return the completed questionnaires separately. The use of a multisource data collection procedure helps reduce the problem of common method bias (F. Kock et al., 2021). The survey from July to September 2024 yielded 315 usable questionnaires, signifying a return rate of 83.1%. The demographic characteristics of the sample showed that the majority of respondents were male ($n = 217$; 68.9%), with ages ranging from 49 to 63 years. The majority of respondents had bachelor's degrees ($n = 193$; 61.3%) and master's degrees ($n = 108$; 34.3%). The average firm age was 18.6 years, with business operations distributed as follows: manufacturing (52), trade (consumer goods) (47), hospitality (47), trade (consumer goods) (44), education (39), agriculture (31), health (23), technology (22), and oil and gas (10).

MEASURES

Heslin and Klehe's (2006) study provided four and three questions for SIM and mentoring, respectively. A sample question for SIM includes: "I encourage participation in decision-making, where feasible." A sample question for mentoring includes: "I often express interest in the learning experiences of my successor." Cronbach's alpha values for SIM and mentoring were 0.88 and 0.75, respectively. Two LT questions were taken from Jones et al. (2013). The sample question states, "My successor's competency development often benefits from internal or externally developed training." Cronbach's alpha for this scale was 0.82. Caliendo et al. (2023) provided the four self-efficacy questions. A sample question is, "I am confident I can deal efficiently with unexpected events." This scale had a Cronbach's alpha of 0.73. Six questions for organizational survival were adapted from Chen et al. (2021). A sample item includes: "We are able to operate profitably despite increasing challenges, competition, and changes in our business environment." Cronbach's alpha for this scale was 0.79. The questionnaire used a five-point Likert-type scale, ranging from 1 (completely disagree) to 5 (completely agree), to rate items.

DATA ANALYSIS

The partial least squares [PLS] path modeling technique was employed to predict and explain the relationship among the latent constructs. This structural equation modeling [SEM] technique is well-known for its effectiveness in predicting the relationships among multiple latent constructs, especially when the proposed model has one or more mediating constructs (Hair et al., 2017). Therefore, it facilitates a comprehensive analysis and elucidation of latent constructs' direct and indirect relationships. Furthermore, there are no stringent distributional assumptions involved. SmartPLS 3 software facilitated the PLS analysis. We followed the two-step SEM procedure: (1) a confirmatory factor analysis of the measurement (or outer) model and (2) a structural (or inner model) path analysis for hypothesis testing. The SEM guidelines suggested by Hair et al. (2017) were applied to interpret the PLS results. The bootstrap method was applied to assess the model parameters.

RESULTS

This study conducted preliminary tests to determine the sampling adequacy for performing factor analysis using the Kaiser-Meyer-Olkin Measure [KMO] and Bartlett's test for sphericity [BTS]. SPSS 20 software facilitated these tests. The results showed that the KMO values for the latent constructs (SIM = 0.64, mentoring = 0.71, LT = 0.69, self-efficacy = 0.76, and organizational survival = 0.69) were higher than the acceptable cut-off point of 0.60. The BTS scores for the latent constructs were also significant at $p < 0.05$. The results suggest that the sample is adequate for factor analysis. Before initiating the two-step SEM procedure, it is crucial to take this preliminary consideration into account.

The measurement model analysis was first performed to assess the relationship between the latent constructs and their observable indicators. This study conducted a confirmatory factor analysis by evaluating the reliability and validity of the measurement scales and constructs. Table 1 shows that the latent constructs' FL range exceeded the acceptable benchmark point of 0.70, demonstrating good item or indicator reliability. The CR and AVE scores were above the cut-off mark of 0.70 and 0.50, respectively. This result suggests that the measurement model attained acceptable internal consistency and convergent validity among the latent constructs. The Fornell-Larcker criterion shows that the bolded diagonal correlation for each construct was higher than its inter-construct correlations. This indicates the achievement of discriminant validity. In relation to the VIF, Hair et al. (2017) propose that scores less than 5.0 indicate the absence of significant multicollinearity problems. By highlighting highly correlated predictive latent constructs, multicollinearity testing helps ensure the model's predictive accuracy and robustness. The multicollinearity result also helps find common method bias [CMB] problems that cause coefficient estimates to be less reliable. N. Kock (2015) asserts that scores less than or equal to 3.3 indicate that the model is free of CMB, which allows for drawing reliable and valid inferences.

Table 1. Measurement model results

Constructs	1	2	3	4	5
1. SIM	0.85				
2. Mentoring	0.34	0.81			
3. LT	0.09	0.03	0.72		
4. SE	0.27	0.41	0.07	0.88	
5. OS	0.22	0.30	0.15	0.39	0.77
Mean	3.81	3.89	2.91	4.28	4.04
SD	0.71	0.77	0.65	1.04	0.80
FL (>0.70)	0.77 – 0.82	0.72 – 0.81	0.74 – 0.78	0.76 – 0.83	0.74 – 0.85
CR (>0.70)	0.88	0.74	0.72	0.80	0.73
AVE (>0.50)	0.73	0.65	0.52	0.78	0.59
VIF	1.16	1.09	1.28	1.91	
R ²				0.49	(0.57) 0.66
SRMR (<0.08)					0.05

Note. SIM = Successor involvement in management; OS = Organizational survival; LT = Leadership training; SE = Self-efficacy; SD = Standard deviation; FL = Factor loads; CR = Composite reliability; AVE = Average variance extracted; VIF = Variance inflation factor; SRMR = standardized root mean square residual

Additionally, the R² results show that successor involvement, mentoring, and leadership training accounted for 49% of the variance in the successor's self-efficacy. The direct relationships of SIM, mentoring, LT, and self-efficacy accounted for 57% of the variance in organizational survival. The inclusion of self-efficacy as a mediator improved the explanatory power of the model by 9%. Chin et al. (2008) suggest that R² values between 0.33 and 0.66 are moderate and can explain a substantial amount of variation in the dependent construct (organizational survival). This study also conducted a model fitness test using the SRMR and achieved a value of 0.05. SRMR values below 0.08 indicate a good fit. Therefore, the model achieved an acceptable fit between the predicted and observed data, supporting its reliability and validity.

The assessment of the structural model for hypothesis testing is the second step in the SEM procedure. This study used several techniques, such as path coefficients and p-values, to predict and explain the statistical strength of the hypothesized paths. Table 2 indicates that the PLS results of the structural model analysis supported 3 out of 4 hypotheses. Specifically, the results demonstrated that SIM ($\beta = 0.23$; $p < 0.05$), mentoring ($\beta = 0.29$; $p < 0.05$), and self-efficacy ($\beta = 0.38$; $p < 0.05$) have a

positive and significant impact on organizational survival. However, the impact of LT on organizational survival was positive and insignificant ($\beta = 0.14$; $p > 0.05$). Therefore, the PLS result provided support for H1, H2, and H4, but not for H3. Table 2 demonstrates the contextual utility of self-efficacy in the strategy-survival nexus. In model 2, SIM ($\beta = 0.29$; $p < 0.05$), mentoring ($\beta = 0.34$; $p < 0.05$), and LT ($\beta = 0.22$; $p < 0.05$) strongly contributed to self-efficacy, and the effect of self-efficacy on organization survival was still positive and strong ($\beta = 0.43$; $p < 0.05$). The specific indirect PLS estimates in Table 3 reinforce the mediational value of self-efficacy. Self-efficacy mediated the significant effect of SIM ($\beta = 0.19$; $p < 0.05$), mentoring ($\beta = 0.22$; $p < 0.05$), and LT ($\beta = 0.16$; $p < 0.05$) on organizational survival. The PLS results thus supported H5, H6, and H7. H5 and H6 demonstrated complementary mediation; however, H7 indicated an indirect-only mediation.

Table 2. Structural model results - direct

Paths	β (<i>p</i> -value) Model 1	β (<i>p</i> -value) Model 2
1. SIM→OS	0.23 (0.000)	0.21 (0.002)
2. Mentoring →OS	0.29 (0.000)	0.27 (0.000)
3. LT→OS	0.14 (0.093)	0.09 (0.154)
4. SE→OS	0.38 (0.000)	0.43 (0.000)
5. SIM→SE		0.29 (0.000)
6. Mentoring →SE		0.34 (0.000)
7. LT→ SE		0.22 (0.000)

Note. SIM = Successor involvement in management; OS = Organizational survival; LT = Leadership training; SE = Self-efficacy; $p < 0.05$

Table 3. Structural model results - specific indirect

Paths	β (<i>p</i> -value)
1. SIM→SE→OS	0.19 (0.000)
2. Mentoring →SE→OS	0.22 (0.000)
3. LT→ SE→OS	0.16 (0.039)

Note. SIM = Successor involvement in management; OS = Organizational survival; LT = Leadership training; SE = Self-efficacy; $p < 0.05$

DISCUSSION

The study found that increasing SIM positively contributes to organizational survival. By actively involving them, they not only gain an understanding of the intricate nature and dynamics of the strategic management process but also develop strategic competencies and resources necessary for effective leadership transitions. The successor’s insights, enriched by the exposure and integration of diverse experiences from strategic interactions and collaboration, enhance decision quality for problem solving. This finding supports the position of studies (Lanchimba et al., 2024; LeCounte, 2020; Olayemi & Gbadamosi, 2024) that suggest that family involvement contributes to the successful succession and survival of businesses.

The study revealed that mentoring successors by experienced individuals within the organization or industry can improve a firm’s survivability. The transfer of contextual knowledge, skills, and attitudes in a mentee-mentor relationship facilitates cognitive and behavioral changes that enhance effective functioning and productivity. Interestingly, mentoring exerted a higher direct effect on organizational survival than other succession strategies. Arguably, firms prioritize using this strategy to leverage the accumulated knowledge of previous generations to nurture others to become dominant players in a

given business. Through effective communication and support, successors may find meaning in what they do and commit to a career developmental path within the business. This makes business operations and performance more stable in the event of succession. The finding agrees with Ghosh and Reio (2013) and Giacumo et al. (2020) that mentoring enhances and maintains organizational performance. The study also found that increasing LT does not significantly contribute to improving the chances of organizational survival. Possibly, these firms prefer informal training to provide successors with hands-on experience as they progress in the workplace. The most effective training may occur when working alongside other experienced individuals, as the support and benefits are significant, especially for the transfer of tacit knowledge (Luthans & Youssef, 2004). Firms may perceive formal training as generic and distal to their developmental needs. According to OECD (2013), firms, especially SMEs, have yet to appreciate the benefits of formal LT. This finding contradicts research (Alnoor, 2020; Jacobsen et al., 2022) that suggested training improves firm performance in terms of survivability.

Additionally, the study found that enhancing the self-efficacy of successors contributes to an optimal strategy-survival nexus. Specifically, the contribution of leadership training to organizational survival was insignificant except through self-efficacy. A possible reason is that leadership training incorporates psychological insights to arouse self-efficacy. Thus, leadership training has contextual psychological benefits that induce goal-directed attitudinal and behavioral changes essential for organizational success. Furthermore, the mediation of self-efficacy for the other strategies (i.e., successor involvement in management and mentoring) was complementary. In this way, organizations can gain more when they link these strategies to psychological development, even though their application enhances survival prospects. There is no evidence of the mediating role of self-efficacy in a succession context; however, this study somewhat agrees with Newman et al. (2019). This meta-analytical study identified involvement in decision-making, mentoring, and training as antecedents, as well as entrepreneurial performance and successful succession as consequences of entrepreneurial self-efficacy. Consequently, the study underscores the mediational value of self-efficacy in matters of leadership and business continuity. This finding also aligns with the arguments from the HCT and SCT, which posit that when organizations make strategic investments in preparing successors, they are more likely to develop their psychological state, as they tend to act more confidently. The level of self-efficacy demonstrates the quality of leadership development (Round et al., 2024). This renewed confidence allows the purposeful coordination of business activities to maintain the organizational legacy and values over time.

THEORETICAL AND PRACTICAL IMPLICATIONS

The study examined the effects of selected succession strategies on organizational survival by accounting for the psychological development of self-efficacy. Research indicates that involvement in management, mentoring, and training is crucial for sustaining organizational performance. However, it has not been fully extended to a succession-related context, specifically as strategies for the preparation of successors for leadership roles (Nwuke et al., 2020). Furthermore, self-efficacy is a critical element in successful succession (Cho et al., 2022; Ferrari, 2023a), but few studies have examined its mediational role and significance in succession planning for business continuity. Research of this nature is usually qualitative (Ayodeji, 2019); however, this study provided a quantitative perspective that has been overlooked in research, especially in the Nigerian context. Based on HCT and SCT, the study offers a model that illustrates how organizations can survive by using specific leadership development strategies. The centrality of self-efficacy was put into perspective considering that low self-efficacy is one of the factors impeding a founder's willingness to transfer leadership to a successor (Ferrari, 2023a).

Succession strategies help successors develop confidence in their ability to manage organizational activities sustainably. In view of this, the study recommends that firms should consider the three strategic approaches (i.e., SIM, mentoring, and LT) in succession planning, as they contribute to increasing

self-efficacy and organizational survival. Firms that outline their strategic intents with well-articulated succession strategies can coordinate successors' preparation efforts in ways that would consistently elevate organizational performance. In doing so, firms should encourage the use of different strategies due to the complex and challenging nature of preparing successors for leadership roles. It is also essential to elicit feedback periodically to determine the effectiveness of these strategies. Second, since self-efficacy is key to how strategies affect survival, firms should align these strategies, which impact survival in different ways, to build self-efficacy. Firms may consider using psychometric assessment to determine the strength of this desirable psychological construct for targeted interventions. Third, firms should incorporate successors into evolving succession strategic processes early to enhance and expand their capabilities for consistent performance. Starting early is crucial to avoid unnecessary mistakes and playing catch-up.

LIMITATIONS AND FUTURE RESEARCH

Future research could improve upon several limitations identified in this study. First, the researchers conducted this study in a single Nigerian state, Lagos. Although Lagos serves as the nation's commercial hub, it would be beneficial to expand this research geographically to improve the generalization of results. Second, other studies could test alternative succession strategies, given that the involvement of successors in management, mentoring, and leadership training moderately accounted for variations in organizational survival. There are other strategies that could prove useful in the succession process. Third, this study only examined the mediating role of self-efficacy; research has shown that there are other related psychological constructs (e.g., resilience, hope, and trust) of comparative value to sustaining businesses.

CONCLUSION

The study examined the impact of succession strategies on organizational survival through the self-efficacy of successors in Nigeria. The succession strategies under consideration included the involvement of the successor in management, mentoring, and leadership training. The study found that successor involvement in management, mentoring, and self-efficacy significantly impacted organizational survival; however, leadership training's effect was insignificant. Furthermore, self-efficacy significantly mediated the relationships among the three succession strategies and organizational survival. In conclusion, the mediation of self-efficacy partially explains the impact of successor involvement in management, mentoring, and leadership training on organizational survival.

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