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MODERATING IMPACT OF LEADERSHIP IN THE RELATIONSHIP BETWEEN SUCCESSION PLANNING AND SURVIVAL OF BAKERIES OPERATING IN RIVERS STATE

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Abstract

This study on succession planning and organizational survival examines the relationship between succession planning and organizational survival of bakeries in Rivers State. This study was operationalized by succession planning and organizational survival with leadership style as the moderating variable. This study adopted Cross-sectional survey research design. The population of the study consisted 380 respondents from the bakeries in Port Harcourt. The study adopted simple random sampling technique. The structured questionnaire was used for data collection for this study. Descriptive tools such as the mean and standard deviation were used in assessing the univariate distributions for the three variables. The inferential statistical tool, the Spearman's rank order correlation coefficient (Rho), was used in the test for the bivariate hypotheses of the study, while the partial correlation technique was used in the test for the multivariate hypotheses of the study using SPSS version 22. The study revealed that there is a significant relationship between mentoring and measures of organizational survival of bakeries in Rivers State, there is a significant relationship between retention effort and measures of organizational survival of bakeries in Rivers State, there is a significant relationship between management development and measures of organizational survival of bakeries in Rivers State. Leadership style significantly moderates the relationship between succession planning and organizational survival of bakeries in Rivers State. The study concluded that there is a positive relationship between succession planning and organizational survival of bakeries in Rivers State. The study recommended among others that bakeries should implement formal mentoring programs to transfer knowledge and improve employee skills, thereby enhancing both production and financial stability.

Keywords: Leadership Style, Organisational Survival, Succession Planning

Introduction

Succession planning plays a critical role in ensuring the solvency and long-term survival of businesses, particularly in the bakery industry, which is marked by high competition and operational challenges. Solvency refers to an organization's ability to meet its financial obligations as they become due, maintaining a stable financial position over time (Nwankwo & Eze, 2022). In bakeries, where profit margins are often slim due to rising costs of raw materials and fluctuating consumer demand, the absence of an effective succession plan can exacerbate financial instability. When key personnel leave or retire

without a clear plan for replacement, the organization may face operational disruptions, declining productivity, and financial deficits that could threaten its solvency. For bakeries in Rivers State, ensuring a smooth transition of leadership and key roles is essential for maintaining solvency and competitive advantage, as these businesses often rely on unique recipes, specialized skills, and strong customer relationships that can be difficult to replace without prior planning.

Management development is a cornerstone of succession planning and is essential for preparing future leaders to navigate the complexities of organizational operations. Effective management development programs focus on equipping potential leaders with the necessary skills and competencies to handle leadership roles effectively, including strategic thinking, team management, and decision-making. Research has discovered that organizations that invest in management development programs report improved leadership performance, increased employee engagement, and enhanced organizational adaptability (Day, 2019). For bakeries in Rivers State, management development is particularly important as it ensures that the next generation of leaders is prepared to handle operational challenges, such as market fluctuations, production inefficiencies, and workforce management.

Moreover, management development fosters a culture of continuous improvement and innovation. Employees who undergo leadership training are more likely to think critically about organizational processes and contribute to strategic initiatives aimed at improving efficiency and productivity (Aguinis & Kraiger, 2009). In bakeries, this could translate to better management of production lines, improved quality control processes, and more effective customer service strategies. Investing in management development not only strengthens the internal leadership pipeline but also drives organizational success by fostering a workforce that is equipped to lead with vision and purpose.

Continuous production is a critical element of operational success in bakeries, ensuring that products are consistently available to meet customer demand. In a highly competitive industry like baking, organizations must focus on optimizing production processes to maintain efficiency, reduce waste, and ensure timely delivery of goods. Research has discovered that organizations prioritizing continuous production practices experience higher operational efficiency, improved customer satisfaction, and increased profitability (Kumar et al., 2020). For bakeries in Rivers State, continuous production ensures that products such as bread, pastries, and other baked goods are always available, preventing stockouts and customer dissatisfaction.

In addition to meeting customer demand, continuous production also contributes to employee satisfaction and engagement. Studies have shown that employees working in well-organized production environments with clear processes and objectives are more likely to feel valued and motivated (Hasegawa, 2018). In bakeries, where production schedules can be demanding, ensuring that operations run smoothly and efficiently can reduce employee stress and fatigue, leading to a more satisfied and productive workforce. Continuous production also supports the organization's long-term sustainability by enabling it to respond quickly to changes in market demand and adjust production schedules accordingly.

Solvency is fundamental to the survival and growth of any business, as it reflects the organization's ability to meet its long-term financial obligations. For bakeries in Rivers State, maintaining solvency is essential for ensuring operational continuity, as financial stability allows them to invest in new equipment, expand production capacity, and navigate market fluctuations. Research has discovered that businesses with strong solvency positions are better equipped to weather economic downturns and capitalize on growth opportunities (Ferguson et al., 2020). Solvency ensures that bakeries can maintain a steady flow of production, pay suppliers on time, and invest in employee development programs, all of which contribute to long-term organizational survival. Moreover, solvency impacts employee morale and job security. Employees who perceive their organization as financially stable are more likely to feel secure in their jobs and exhibit higher levels of commitment and productivity (Balakrishnan et al., 2019). In the bakery industry, where workforce stability is critical to maintaining consistent production and product quality, ensuring solvency not only safeguards the financial health of the organization but also enhances employee satisfaction and retention, creating a more resilient and sustainable business.

Moreover, solvency in bakeries is intrinsically linked to the ability to sustain cash flow and operational efficiency, which are directly impacted by leadership and workforce stability. An effective succession plan ensures that vital knowledge and expertise are transferred seamlessly, thereby minimizing the risk of financial distress caused by abrupt leadership changes or skill gaps (Adigwe & Onuoha, 2021). Bakeries, particularly small and medium-sized enterprises (SMEs) in Rivers State, often operate with limited financial reserves, making them vulnerable to insolvency when faced with unexpected disruptions. By implementing a robust succession plan, these businesses can reduce uncertainty, build a pipeline of competent leaders, and maintain operational continuity, which is critical for meeting financial obligations and achieving sustainable growth. Without such planning, bakeries may struggle to adapt to market dynamics, leading to reduced profitability and eventual insolvency.

Research Hypothesis

H_{O1}: There is no significant moderating impact of leadership in the relationship between succession planning and survival of bakeries operating in Rivers State.

Succession Planning

According to Berthal (1999), succession planning practices involves having a support system with senior management and involving the line managers in recognizing potential candidate and integrating the succession management plans with the business strategies (Stadler, 2008). In another study, it was identified that succession planning practices must be implemented after recognizing the individual needs and then incorporating it (Aswathappa, 2013). Some of the most common practices identified by previous studies under succession planning include self- development, talent development, diversity management, and job rotation.

It has been founded by one of the scholars that seeking for the preferred replacements comes under the procedure which needs a complex design along with an accurate strategy (Mathur& Agarwal, 2013). It has been further suggested that there must be the three stage model for the companies in terms of categorizing their succession planning and development practices. The first phase over here is recognizing the primary roles for the succession and replacement planning and then identifies the skills and competencies needed to fulfill that role. The second phase involves the evaluation of people under the criterion. The last stage is addressing the talent pool that will help to fill those roles and establish the employees to get into the advance stage of their career. In view of these stages, it has been asserted by other scholars that some other practice scan also be adapted in attaining the succession planning that are adequate enough for the firm (Ramthun & Matkins, 2014). These practices include making the aims clear and demonstrating the needs of the present performance of the employees.

Main Components of Succession Planning

It has been claimed by one of the previous researchers that succession planning and management must be linked with the strategic vision and goals of the company. A study has suggested four main important factors of succession planning (Stadler, 2011). The first factor is addressing the probable successor. Under this process, a preferred employee is selected on the basis of skills in order to take the future post of the leader or upper management. This process involves recognizing one or multiple employees with whom the company should start its succession planning practices. The next component is the rapidly changing management style. The succession planning needs the employees to be taught and managed. The antecedent should at the first place forgo the personal management style and act like the teacher while giving the mentorship to the employees. The subsequent component is the training and development of the successor. Under this stage, the success of the potential descendant relies on attaining the proper training and development. The final factor is the act of choosing the successor. At this phase there are multiple factors to consider while choosing. Among them some of the essential factors include knowledge, skills, competencies and experience of the employee.

It has been further stated that workers having the higher level of satisfaction in their jobs are usually committed with the company as they have this belief that the company has a good future for them and the company is going to take good care about the contributions done by them (Stadler, 2011). Employees that seemed to be committed with their jobs are more likely to get successful in their jobs and stay in the employment for a longer time. This also raises their retention possibilities and their productivity. In view of this, another study added that the fruitful succession strategies initiated with the effective practice of hiring. This is due to the fact that employees that are competent enough are proven to stay longer in the firm (Singh & Gupta, 2015). It was also added that inefficient hiring practices raises the turnover rates in two main ways (Papay& Kraft, 2016). The first one is the new recruiting that is not compatible enough will leave the company instantly and the second way is that the staff could turn into becoming frustrated at a higher level as they feel that a good burden have been placed on their performance.

Organizational Survival

Organization survival is successful organizations, which are capable of achieving their objectives and goals and maintain it over a long period of time (Nwosu 2014). The goal of organizational survival underpins all goals (Adewale 2011). Paying attention to this goal contributes to the satisfaction and execution of other organizational goals as Gross (1968) posits the concept of survival as an unwritten law of every organization. He suggests that every organization must regard survival as an absolute prerequisite for serving any interest whatsoever and those that does not have survival as a primary objective or goal should have re-think .The most objective way to measure survival in organizations is to observe their continuing existence (Sheppard 2016). Survival of the organization in a vibrant and competitive business environment depends on how effectively the organizations learn to adapt itself to the environment and capitalize on its resources fully both human and material (Lee 2006 in Akani 2015).

Concept of Leadership Style

Leadership style refers to the approach or method a leader adopts to influence, guide, and motivate followers to achieve organizational goals. It encapsulates the leader's behavior, communication strategies, decision-making processes, and how they interact with their team. Leadership styles can range from autocratic to democratic, laissez-faire, transformational, transactional, and servant leadership, among others, and each has a profound impact on organizational performance, employee satisfaction, and overall productivity (Northouse, 2018). Effective leaders typically adapt their style to suit the specific needs of their organization, employees, and the external environment. In the context of bakeries in Rivers State, Nigeria, selecting an appropriate leadership style can mean the difference between operational success and failure, as leaders must manage day-to-day operations while also ensuring long-term sustainability. Studies have discovered that leadership styles significantly affect not only employee morale and productivity but also the overall operational efficiency of an organization. For example, a transformational leadership style, which emphasizes vision, innovation, and employee empowerment, can lead to higher employee engagement, creativity, and job satisfaction (Bass & Avolio, 1994). On the other hand, an autocratic leadership style, where decisions are made unilaterally without input from subordinates, may lead to high productivity in the short term but can cause employee dissatisfaction and high turnover over time (De Hoogh et al., 2015). Thus, the choice of leadership style must align with the organization's goals, the nature of the workforce, and the prevailing market conditions to ensure both operational efficiency and employee retention.

Methodology

This study adopted Cross-sectional survey research design. The population of the study consisted 380 respondents from the bakeries in Port Harcourt. The study adopted simple random sampling technique. The structured questionnaire was used for data collection for this study. Descriptive tools such as the mean and standard deviation were used in assessing the univariate distributions for the three variables. The inferential statistical

tool, the Spearman's rank order correlation coefficient (Rho), was used in the test for the bivariate hypotheses of the study, while the partial correlation technique was used in the test for the multivariate hypotheses of the study using SPSS version 22.

H_{01}: There is no significant relationship between succession planning and survival of bakeries operating in Rivers State.

Table 1: Correlation Analysis Showing the relationship between succession planning and survival of bakeries operating in Rivers State.

Correlations

			succession planning	survival
Spearman's rho	succession planning	Correlation Coefficient	1.000	.502**
		Sig. (2-tailed)	.	.000
		N	162	162
	Survival	Correlation Coefficient	.502**	1.000
		Sig. (2-tailed)	.000	.
		N	162	162

**. Correlation is significant at the 0.01 level (2-tailed).

***Source**: Researcher survey data (2024) via SPSS Output V.22*

H_{01}: There is no relationship between succession planning and survival of bakeries operating in Rivers State. The result reveals a significant relationship between succession planning and survival of bakeries operating in Rivers State. (where rho = .502, p = 0.000). and based on the decision rule of $p < 0.05$ for null rejection; we reject the null hypothesis and accept the alternative hypothesis: *That there is a relationship between* succession planning *and survival of bakeries operating in Rivers State.*

Succession Planning and Survival

The results of H07 reveal a significant relationship between succession planning and the survival of bakeries operating in Rivers State, with a correlation coefficient ($\rho = 0.502$) and a p-value $p = 0.000$. The correlation coefficient of 0.502 suggests a moderate positive relationship, indicating that as succession planning efforts are strengthened, the likelihood of business survival also increases. Given that the p-value is well below the 0.05 threshold, we reject the null hypothesis, which proposed no relationship, and accept the alternative hypothesis, confirming that succession planning is crucial for organizational survival.

This finding supports previous research, such as Nicholas (2012) and Mundia & Iravo (2014), who similarly argued that succession planning plays a critical role in ensuring business continuity. Nicholas emphasized that succession planning helps organizations prepare for leadership transitions by identifying and grooming potential leaders from within the company. This proactive approach ensures that businesses are not caught off guard by leadership vacuums, which can disrupt operations and threaten the long-term

survival of the organization. Mundia and Iravo further elaborated on how effective succession planning also facilitates the transfer of critical knowledge and skills, ensuring that the organization retains its expertise and continues to operate effectively even as leadership changes.

In the context of bakeries in Rivers State, succession planning ensures that future leaders are well-prepared to manage the business's operations, maintain production levels, and make informed decisions about its growth and sustainability. With a strong succession plan, bakeries can avoid the risks associated with leadership transitions, such as operational disruptions, decreased morale, and a lack of direction. Instead, by having a pipeline of qualified leaders, these businesses can sustain their operations and adapt to changing market conditions with minimal disruption.

Moreover, succession planning is a vital strategy for knowledge transfer. As senior employees retire or move on to other roles, they take valuable organizational knowledge with them. Succession planning ensures that this knowledge is passed down to the next generation of leaders, ensuring continuity and stability in operations. In bakeries, where operational expertise, customer relationships, and quality control are crucial, ensuring that new leaders are well-versed in these areas is essential for maintaining competitive advantage and ensuring survival.

Conclusion

The study concludes that: Mentoring, retention efforts, and management development significantly influence the continuous production and solvency of bakeries in Rivers State. The findings suggest that bakeries that invest in these human resource practices tend to experience improved operational efficiency and financial stability. Succession planning plays a vital role in the survival of bakeries. Effective succession planning ensures continuity by preparing employees for future leadership roles, which ultimately supports the long-term sustainability of the organization.

Recommendations

Based on the study findings, the following recommendations are proposed:

1. Bakeries should implement formal mentoring programs to transfer knowledge and improve employee skills, thereby enhancing both production and financial stability.
2. Retention strategies, including professional development and employee engagement initiatives, should be prioritized to reduce turnover and ensure continuous production.
3. Bakeries should provide management training programs to prepare employees for leadership roles, ensuring a pool of qualified candidates for succession.
4. It is recommended that bakeries establish clear succession plans to ensure smooth leadership transitions, which will safeguard the survival of the business in the long term.

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