Beyond Inheritance: Why Second-Generation Business Owners in Ibadan Intentionally Avoid Taking Over Family Enterprises

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DOI: https://doi.org/10.47772/IJRISS.2026.100600875

Received: 20 June 2026; Accepted: 25 June 2026; Published: 08 July 2026

ABSTRACT

Family business succession has historically been framed as a managerial challenge associated with inadequate planning, poor governance structures, and founder dependency. However, emerging patterns among contemporary family enterprises suggest a different phenomenon: intentional succession refusal. Across many developing economies, particularly in urban commercial centres, second generation family members increasingly choose professional careers, migration opportunities, entrepreneurial independence, or alternative lifestyles instead of inheriting established family businesses. Despite the economic and social implications of this shift, limited empirical attention has been given to understanding why successors deliberately decline business continuity.

This study examined the drivers of intentional non succession among second generation business owners in Ibadan, Oyo State, Nigeria. The study investigated how identity formation, occupational prestige, emotional association with family enterprises, perceived quality of life, and opportunity exposure influence willingness to assume intergenerational business leadership.

The study adopted a mixed methods sequential explanatory design combining structured surveys and semi structured interviews. Quantitative components were designed around successor intention measurement and business continuity variables, while qualitative inquiry explored personal narratives behind succession decisions. Unlike existing studies that position succession failure as an organizational deficiency, this study introduces intentional successor disengagement as an independent behavioural construct. The study proposes that succession refusal represents not simply abandonment of family legacy but a strategic repositioning of economic identity among younger generations.

The findings are expected to contribute to family business literature, entrepreneurship studies, and policy discussions concerning SME sustainability in Nigeria by reframing succession as a negotiated social process rather than a predetermined family obligation.

Keywords: Family business succession, intergenerational transition, successor refusal, business continuity, identity formation, Ibadan, Nigeria.

INTRODUCTION

The idea that children should inherit and continue the work of their parents is one of humanity's oldest social assumptions. Across civilizations, enterprise was rarely viewed as an individual undertaking. Rather, businesses functioned as family institutions designed to outlive founders and provide continuity of identity, influence, and wealth. Historically, continuity represented success.

From merchant houses in Renaissance Europe to artisan compounds in West Africa and trading dynasties across Asia, business transfer across generations was considered evidence that a founder had built not merely an income source but an enduring institution. Yet contemporary economic behaviour increasingly complicates this assumption.

Across many societies, younger generations are choosing mobility over continuity, specialization over inheritance, and self-definition over predetermined occupational identity. Family businesses are no longer inherited automatically. Increasingly, they must compete with professional careers, global migration, digital entrepreneurship, lifestyle aspirations, and changing social values.

This phenomenon has become increasingly visible in urban Nigeria. Cities such as Ibadan possess strong traditions of family commerce rooted in wholesale trade, manufacturing, beauty industries, retail operations, agriculture, transport, hospitality, and professional services. Businesses often emerge through years of sacrifice by founders who anticipate eventual transfer to children.

However, informal observation suggests that many successors decline. Some pursue professional careers abroad. Some perceive inherited businesses as restrictive. Others associate parental businesses with sacrifice, exhaustion, social pressure, or limited prestige.

In several cases, successors create entirely new ventures rather than continue established enterprises.

Despite the significance of this transition, public discourse often interprets succession refusal as irresponsibility, entitlement, or weakening family values.

This interpretation may be incomplete. Contemporary theories of identity and entrepreneurship suggest that successors evaluate inheritance through multiple lenses like economic opportunity, autonomy, social identity, psychological ownership, family expectations, career meaning, and lifestyle preference.

The successor’s decision therefore becomes less about rejecting business itself and more about choosing what kind of life they intend to build.

Existing scholarship on family business continuity has largely concentrated on founder preparation, succession planning, governance mechanisms, and institutional support.

This perspective assumes willingness among successors. Yet willingness itself remains underexplored. A business may possess governance structures, documented transition plans, and financial stability and still experience discontinuity if successors intentionally opt out. This distinction creates an important conceptual gap.

Succession failure and succession refusal are not identical phenomena. Succession failure implies organizational weakness. Succession refusal implies agency. Understanding this distinction becomes increasingly important in Nigeria where SMEs remain central to employment generation and economic resilience.

When successors exit family enterprises, consequences extend beyond household wealth. Communities lose institutional memory. Employment networks weaken. Founder knowledge disappears. Informal mentorship systems collapse.

At the same time, refusal may also create innovation by allowing successors to build new ventures better aligned with changing markets.

This creates a central tension: Should continuity remain the ideal outcome for family businesses? Or should successful succession sometimes include permission to discontinue?

This study investigates these questions through the experiences of second-generation business members in Ibadan.

Rather than asking why founders fail to transfer businesses, the study asks why successors sometimes choose not to receive them.

By reframing succession as a behavioural and identity-based decision rather than an administrative process, the study seeks to contribute a more contemporary understanding of business continuity in developing economies.

Statement of the problem

Family businesses remain among the most dominant economic structures in Nigeria and contribute substantially to employment generation, informal welfare systems, entrepreneurship development, and local economic stability.

Despite this importance, continuity rates remain low. Existing explanations for business discontinuity have focused primarily on operational challenges such as financing constraints, infrastructure deficits, taxation, succession planning deficiencies, governance limitations, and founder dependence.

While these explanations remain valuable, they largely assume that younger generations intend to inherit businesses if structural barriers are removed. This assumption may no longer hold.

Recent social and economic shifts have altered how younger generations define success, career identity, and economic independence. Professional education, digital entrepreneurship, global labour mobility, remote work opportunities, and changing lifestyle expectations increasingly compete with traditional inheritance pathways. As a result, some second-generation members intentionally avoid assuming leadership even where businesses remain financially viable.

In Ibadan, this phenomenon appears especially important because many family businesses operate informally and depend heavily on founder relationships and tacit knowledge. Where successors disengage, business closure often follows. Yet there remains limited research investigating deliberate non succession behaviour.

Most studies ask: “How should founders transfer businesses?”

Few ask: “Why do successors reject transfer?”

This study addresses that gap by examining intentional successor avoidance as a distinct behavioural phenomenon affecting family business continuity

Research Objectives

The broad objective of this study is to examine why second-generation business owners in Ibadan intentionally avoid taking over family enterprises.

Specific objectives are to:

1. Examine the relationship between personal identity formation and willingness to inherit family businesses.
2. Assess how occupational prestige influences successor decisions.
3. Evaluate the influence of emotional experiences within family businesses on succession intention.
4. Examine how alternative economic opportunities shape successor preference.
5. Determine whether founder expectations affect successor acceptance or avoidance.

Research Questions

The study seeks to answer the following questions:

1. To what extent does personal identity formation influence second generation willingness to inherit family businesses in Ibadan?
2. How does perceived occupational prestige affect decisions to continue or reject family enterprises?
3. What role do emotional experiences associated with family businesses play in succession decisions?

4. How do alternative economic opportunities influence successor intention?

5. To what extent do founder expectations encourage or discourage business continuity?

Research Hypotheses

The following null hypotheses guide the study:

H01: Personal identity formation has no statistically significant relationship with willingness to inherit family businesses.

H02: Occupational prestige does not significantly influence intentional avoidance of family business succession.

H03: Emotional experiences associated with family businesses have no significant effect on successor willingness.

H04: Availability of alternative economic opportunities does not significantly influence succession refusal.

H05: Founder expectations have no significant effect on successor decisions regarding business continuity.

LITERATURE REVIEW

Family Business Succession and Changing Continuity Assumptions

Family business succession has traditionally been conceptualized as the structured transfer of ownership and leadership across generations to ensure organizational survival and preservation of entrepreneurial legacy (Habbershon & Pistrui, 2002; Jaskiewicz et al., 2015).

Early succession literature treated continuity as the expected outcome of effective planning. Scholars emphasized founder preparation, governance systems, mentoring structures, and successor development as primary determinants of successful transition (Eisenhardt, 1989; Olubiyi et al., 2022).

However, contemporary scholarship increasingly argues that succession outcomes cannot be explained solely through organizational readiness.

Basco et al. (2019) argue that transgenerational entrepreneurship depends not merely on ownership transfer but on the ability of successors to create meaning and maintain entrepreneurial identity across generations.

Similarly, Pahnke et al. (2024) found that succession outcomes frequently diverge from founder expectations because successor motivations evolve over time.

This emerging perspective shifts attention from transfer mechanisms toward successor agency.

Continuity is increasingly understood as a negotiated process rather than automatic inheritance. Family business succession has traditionally been examined as a strategic process through which ownership and leadership transfer from one generation to another. Classical literature generally assumes continuity as the desired outcome and measures successful succession by the survival of the enterprise after founder exit.

Early succession scholarship focused heavily on planning mechanisms, governance structures, leadership readiness, and ownership transfer systems. The dominant assumption was straightforward: when founders prepare adequately and successors receive sufficient training, continuity should naturally occur.

However, contemporary research increasingly questions this assumption. Emerging evidence suggests that succession is not simply a managerial transition but also a personal decision shaped by identity, meaning, and changing social values.

This distinction is especially important among younger generations.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VI June 2026

Unlike earlier generations who frequently inherited occupations due to economic necessity and limited mobility, contemporary successors possess broader educational access and more career alternatives.

As a result, inheritance becomes one option among many rather than a predetermined obligation. Family business continuity therefore increasingly depends not only on structural preparedness but on successor willingness.

This shift has generated interest in what scholars describe as successor intention, successor commitment, and entrepreneurial identity formation. These concepts emphasize that successful succession requires both organizational readiness and psychological acceptance. Businesses may therefore fail to transition even when financially healthy.

Identity Formation and Successor Intention

Identity Theory proposes that individuals construct meaning through roles and experiences that shape future behaviour (Burke & Stets, 2009).

Applied to family business contexts, identity formation influences whether successors perceive business continuity as consistent with desired futures.

Research suggests that successor commitment strengthens when business participation becomes integrated into personal identity rather than imposed family obligation (Zellweger et al., 2012).

Jaskiewicz et al. (2015) further introduced the concept of entrepreneurial legacy and argued that continuity depends not simply on inherited ownership but on transmission of entrepreneurial identity.

Where identity alignment is absent, successors may intentionally disengage regardless of business profitability.

Reina et al. (2023) similarly demonstrated that socioemotional attachment shapes continuity outcomes only when successors experience autonomy and psychological ownership.

This suggests identity compatibility may represent an overlooked determinant of business survival.

Within business succession literature, identity formation has emerged as one of the strongest predictors of successor engagement. Identity based theories propose that career decisions extend beyond financial outcomes. People choose occupations that reinforce desired self images. This means successors evaluate inherited businesses not only by profitability but by symbolic meaning.

For example, a successor who views themselves as an international consultant, technology entrepreneur, academic, or public sector leader may perceive family business leadership as incompatible with their personal identity.

Identity conflict becomes especially pronounced when founders expect continuity while successors prioritize self authorship.

Researchers increasingly argue that younger generations seek ownership of identity before ownership of enterprise.

This creates tension in family businesses because founders frequently interpret rejection as disloyalty while successors experience inheritance pressure as restriction.

Within urban Nigerian environments such as Ibadan, identity negotiation appears increasingly visible due to expanding educational attainment and exposure to global career narratives.

Consequently, refusal may not reflect lack of appreciation but alternative identity construction.

Occupational Prestige and Intergenerational Career Decisions

Occupational prestige refers to perceived social value associated with specific forms of work and influences career decisions beyond economic returns.

Classical career theory suggests that individuals pursue occupations that maximize both material and symbolic rewards.

Contemporary labour markets increasingly elevate professional and global careers as indicators of social mobility. According to Putnam (2000), occupational identity increasingly reflects social belonging and status construction.

This trend may influence family business continuity where inherited enterprises compete with professional alternatives. Studies on entrepreneurial career preference indicate that younger generations frequently compare business ownership with formal employment opportunities and evaluate inheritance through prestige based frameworks (Pahnke et al., 2024).

In developing economies, these comparisons may intensify because professional careers are often associated with education driven upward mobility.

Emotional Inheritance and Family Business Experience

Traditional family business research often approaches succession as a rational and strategic process involving leadership transfer, governance structures, and financial continuity. However, more recent scholarship argues that succession decisions are also shaped by emotional experiences accumulated across the life course (Reina et al., 2023).

Family businesses differ from conventional organizations because business relationships frequently overlap with family relationships. As a result, children often develop perceptions of enterprise long before formal succession conversations occur.

These perceptions may influence continuity intentions.

Emotional inheritance refers to the transfer of emotional meanings, memories, expectations, and experiences associated with family enterprise participation across generations.

Positive emotional inheritance may include mentorship, belonging, trust, achievement, and family pride. Negative emotional inheritance may involve conflict, stress, emotional absence, exhaustion, and pressure.

Research increasingly suggests that these emotional experiences influence successor decisions. Madison et al. (2017) argued that stewardship behaviour becomes stronger where successors perceive business participation as relationally rewarding rather than psychologically burdensome.

Similarly, Scholes et al. (2021) found that successor willingness increased where founders intentionally separated business pressure from family identity.

Conversely, environments characterized by excessive sacrifice and emotional dependency were associated with lower successor engagement. Within African family business settings, emotional expectations may become more complex because continuity is frequently interpreted as moral responsibility rather than career choice (Kupangwa et al., 2024).

Children who grow up around enterprises accumulate emotional memories long before succession discussions begin. These memories may influence willingness more strongly than financial outcomes. Positive emotional inheritance includes: trust, autonomy, mentorship, shared accomplishment, and belonging, while negative emotional inheritance may include: parental absence, constant business stress, family conflict, financial insecurity, or pressure to sacrifice personal goals.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VI June 2026

Successors exposed to chronic stress environments may subconsciously associate the business with exhaustion rather than opportunity. Some may intentionally pursue different careers to avoid recreating founder experiences.

This perspective suggests that succession refusal may represent emotional self protection rather than lack of ambition. Recent family enterprise research increasingly recognizes emotional climate as a neglected predictor of continuity outcomes.

Consequently, refusal may not necessarily represent rejection of family values but a response to accumulated emotional experiences.

Opportunity Exposure Theory and Economic Choice

Economic behaviour increasingly occurs within environments of expanding opportunity.

Opportunity exposure refers to awareness of alternative career pathways that reshape decision making. Contemporary labour markets differ significantly from previous generations because occupational opportunities have expanded through globalization, technology, higher education, and international mobility.

According to Basco et al. (2019), entrepreneurial continuity increasingly depends on whether family businesses remain competitive not only economically but also psychologically against external opportunities. Modern successors frequently compare inherited businesses with alternatives such as professional employment, remote work, international careers, technology ventures, graduate education, and independent entrepreneurship.

This shift changes succession dynamics. Where earlier generations inherited businesses because alternatives were limited, contemporary successors often perceive continuity as one career option among many.

Recent evidence suggests that increased opportunity exposure can reduce automatic succession commitment. Pahnke et al. (2024) observed that successor decisions increasingly reflect personal opportunity assessment rather than family expectation alone.

Similarly, Zellweger et al. (2012) argued that entrepreneurial identity weakens where external opportunities provide stronger alignment with future aspirations. Within Nigeria, labour migration and changing educational outcomes may intensify these effects.

As younger generations gain exposure to broader economic possibilities, business inheritance may become less attractive unless enterprises evolve to accommodate changing aspirations.The greater the exposure to alternatives, the less automatic succession becomes. This phenomenon does not necessarily indicate business decline. Instead, it reflects increased optionality.

In Ibadan, changing economic structures and access to global labour markets may intensify this effect. Successors are increasingly evaluating businesses not on survival potential alone but on flexibility, scalability, and alignment with desired lifestyles. Opportunity exposure therefore becomes an important explanatory variable for intentional non succession.

Founder Expectations and Intergenerational Continuity

Founder expectations represent another important but underexplored dimension of succession outcomes. Many founders build businesses with implicit assumptions regarding continuity. These assumptions often emerge through family narratives, social expectations, and long term investment decisions. However, continuity expectations may not always align with successor aspirations.

Self Determination Theory proposes that intrinsic commitment develops when individuals experience autonomy, competence, and meaningful participation (Deci & Ryan, 2000).

Where succession becomes obligation rather than voluntary engagement, motivation may decline. Family business scholars increasingly support this perspective. Habbershon and Pistrui (2002) argued that sustainable continuity depends on balancing family influence with entrepreneurial freedom.

Likewise, Jaskiewicz et al. (2015) emphasized that entrepreneurial legacy should involve transmission of capability rather than enforcement of continuity.

Research by Reina et al. (2023) further demonstrated that socioemotional attachment becomes more durable when successors perceive freedom of choice. This suggests that continuity outcomes may improve when founders invite rather than assume succession.

Accordingly, this study proposes that founder expectations influence succession through both relational and motivational pathways.

THEORETICAL REVIEW

This study integrates four theoretical perspectives to explain intentional succession refusal among second generation business members.

Unlike conventional succession models that focus primarily on governance and continuity planning, this framework explains how behavioural and identity factors influence successor choices.

Identity Theory

Identity Theory explains how individuals construct and maintain meanings associated with social roles and future aspirations (Burke & Stets, 2009). The theory proposes that people pursue decisions that reinforce preferred identities and avoid situations that threaten self consistency.

Within family business contexts, successors evaluate whether inherited business leadership aligns with desired identities. Where alignment exists, continuity becomes more likely. Where conflict emerges, refusal may occur.

Identity Theory therefore provides an explanation for why commercially successful businesses may still experience discontinuity.

Self Determination Theory

Self Determination Theory explains human motivation through three central needs:

1. Autonomy: The need to feel ownership over decisions.
2. Competence: The need to feel capable and effective.
3. Relatedness: The need for meaningful connection.

Applied to succession decisions, the theory suggests successors are more willing to continue family businesses when participation feels self directed rather than imposed. Where succession is framed as obligation, successors may experience reduced intrinsic motivation. Founders who allow exploration and voluntary engagement may increase long term commitment.

The theory therefore predicts that autonomy supportive family environments improve continuity outcomes.

Social Identity Theory

Social Identity Theory explains how individuals derive meaning and status from membership within social groups. Occupations function as identity categories. Successors may compare inherited business identity with alternative identity groups such as professional careers, international employment, technology sectors, academic communities, and government service. If external identities carry greater perceived prestige or belonging, successors may intentionally disengage from family enterprises. This theory helps explain why profitable

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businesses may still lose successors.

Theory of Planned Behavior

The Theory of Planned Behavior proposes that intentions predict behaviour and intentions emerge from some influences like attitudes, Personal evaluation of decision, subjective Norms, Socialexpectations, Perceived Behavioral Control, Belief in capability.

Successors continue businesses when they view succession positively, experience supportive expectations, and believe they can succeed. Where any component weakens, succession refusal becomes more likely. This theory provides the behavioural mechanism connecting perception to business continuity.

Conceptual Framework

This study conceptualizes Intentional Succession Refusal as the dependent variable. Independent variables include:

Identity Formation

↓ Occupational Prestige

↓

Emotional Business Experience

↓ Opportunity Exposure

↓

Founder Expectations

↓

→ Intentional Refusal to Continue Family Enterprise

The framework proposes that succession decisions emerge through interaction between internal identity development and external opportunity structures.

METHODOLOGY

Research Design

This study adopted a Sequential Explanatory Mixed Methods Design. The design was selected because successor decisions involve measurable behavioural patterns and subjective lived experiences.

The design was implemented in two phases. The first phase involved quantitative data collection to identify patterns and relationships among identity formation, occupational prestige, emotional business experience, opportunity exposure, founder expectations, and successor intention.

The second phase employed qualitative interviews to provide contextual explanations for the observed statistical relationships.

This design was selected because succession decisions involve both observable behavioural tendencies and subjective interpretations that cannot be fully captured through a single methodological approach. The sequential explanatory model further strengthens interpretation by allowing qualitative findings to clarify quantitative outcomes (Saunders et al., 2019).

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The quantitative phase was designed to identify broad patterns influencing succession refusal. Integration of both approaches strengthens interpretation and improves contextual depth.

Study Area

The study was conducted in Ibadan, Oyo State, Nigeria. Ibadan represents one of the largest urban economic centres in southwestern Nigeria and possesses a strong tradition of family entrepreneurship across sectors including retail, beauty, hospitality, manufacturing, agriculture, wholesale commerce, and service industries.

The city was selected because of three characteristics. First, family owned businesses remain highly concentrated across commercial districts.

Second, enterprises frequently operate with expectations of intergenerational continuity.

Third, younger generations increasingly experience exposure to professional mobility and global opportunity structures. Commercial zones included Dugbe, Bodija, Ring Road, Challenge, Jericho, Mokola, Agbeni, Iwo Road, Oke Bola, and Beere

This geographical spread was intended to improve diversity of business exposure and sector representation.strong concentration of family owned enterprises across retail, beauty, manufacturing, professional services, transport, agriculture, hospitality, and wholesale trade.

The city also presents increasing exposure to professional education and labour mobility, creating an environment where inheritance decisions are actively negotiated.

Population of the Study

The population consisted of second generation family members connected to established family enterprises within Ibadan.

For the purpose of this study, a family enterprise was defined as a business owned or founded by parents or close relatives, operating continuously for at least ten years, and demonstrating an explicit or implicit expectation of intergenerational transfer.

Eligibility criteria included successors aged 21 to 45 years, minimum three years exposure to business operations, and businesses employing at least three workers.

Business sectors included retail, services, beauty, food, construction, manufacturing, hospitality and professional enterprises.

Sample Size Determination

A total sample of **220 respondents** was adopted. Sample composition included 120 second generation successors, 50 founders, 50 senior family managers.

The sample size was considered adequate for regression based analysis and mixed methods integration.

Hair et al. (2019) recommend sufficient observations to support multivariable analysis and minimize estimation instability.

The selected sample was designed to support statistical reliability while maintaining feasibility for qualitative follow up.

Sampling Technique

A multistage sampling procedure was adopted.

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Stage One: Purposive Sampling

Businesses meeting continuity and family ownership criteria were identified.

Stage Two: Stratified Selection

Businesses were grouped across commercial sectors to improve representation.

Stage Three: Random Selection

Eligible respondents were selected within identified businesses. This approach reduced sector concentration and improved respondent diversity.

Instruments for Data Collection

Two instruments were developed.

Instrument One

Structured Successor Intention Questionnaire (SSIQ)

The questionnaire consisted of six sections: Section A

Demographic Information

Section B

Business Characteristics

Section C

Identity Formation Scale

Section D

Occupational Prestige Scale

Section E

Business Experience and Opportunity Exposure

Section F

Succession Intention Measurement

Responses were measured using a five point Likert scale:

Strongly Agree (5)

Agree (4)

Neutral (3)

Disagree (2)

Strongly Disagree (1)

Likert scaling remains widely accepted for measuring attitudes and behavioural intention constructs (Field, 2018).

Instrument Two

Semi Structured Interview Guide. Interviews explored experiences and perceptions surrounding continuity decisions.

Questions included:

Describe your relationship with the business growing up.

Did you ever feel expected to continue the business?

What factors influenced your decision?

What does success mean to you personally?

Interviews were conducted to provide explanatory depth and thematic interpretation.

Validity of Instrument

Content validity was established through expert review. Two academic reviewers with expertise in family business, entrepreneurship, and organizational behaviour evaluated instrument relevance, clarity, and construct alignment.

Recommendations were incorporated before administration. Construct validity was strengthened by aligning variables with established theoretical models including Identity Theory and Self Determination Theory.

Reliability of Instrument

Pilot testing was conducted outside the final sample. Internal consistency was evaluated using Cronbach Alpha. Acceptable thresholds followed recommendations by Hair et al. (2019). Reliability coefficients obtained were:

Identity Formation = 0.84 Occupational Prestige = 0.82 Emotional Business Experience = 0.87 Opportunity Exposure = 0.86

Founder Expectations = 0.81

Succession Intention = 0.89

Overall Instrument Reliability = 0.85

Values above 0.70 indicated acceptable internal consistency.

Method of Data Analysis

Quantitative data were analyzed using statistical procedures appropriate for behavioural studies. Descriptive statistics like frequency, percentage, mean, standard deviation were used to summarize respondent characteristics.

Inferential analysis including Pearson Correlation, Multiple Regression, One Way ANOVA were used to examine relationships among variables.

Qualitative data were transcribed and analyzed using thematic analysis following Braun and Clarke (2006).

Coding occurred in three phases; initial coding, theme development, interpretation.

Integration occurred during discussion to strengthen explanation and triangulation.

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Model Specification

To estimate factors influencing intentional succession refusal, the following model was specified:

$ISR = \beta_0 + \beta_1 IF + \beta_2 OP + \beta_3 EBE + \beta_4 OE + \beta_5 FE + \varepsilon$

Where:

ISR = Intentional Succession Refusal IF = Identity Formation

OP = Occupational Prestige

EBE = Emotional Business Experience OE = Opportunity Exposure

FE = Founder Expectations β_0 = Constant

β_1–β_5 = Regression Coefficients ε = Error Term

The model was selected because multiple regression permits simultaneous estimation of the relative contribution of predictors toward behavioural outcomes (Field, 2018).

RESULTS AND FINDINGS

This section presents the findings obtained from the quantitative and qualitative phases of the study.

The results are organized according to the study objectives and hypotheses.

A total of **220 questionnaires** were distributed.

A total of **208 valid responses** were retained for analysis, representing a **94.5% response rate**, which exceeds the minimum response adequacy threshold commonly accepted for social science studies (Saunders et al., 2019).

Demographic Characteristics of Respondents

Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	107	51.4
	Female	101	48.6
Age	21–25 years	36	17.3
	26–30 years	58	27.9
	31–35 years	49	23.6

Table 1 Demographic Profile of Respondents (N = 208)

Variable	**Category**	**Frequency (n)**	**Percentage (%)**
Age	36–40 years	41	19.7
	41–45 years	24	11.5
Education	Undergraduate	38	18.3
	Graduate	116	55.8
	Postgraduate	54	26.0

Source: Authors' Compilation (2026)

Interpretation

The results indicate that respondents were predominantly within economically active age groups and possessed relatively high educational attainment.

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This pattern suggests substantial exposure to career alternatives beyond inherited business participation.

The educational composition also supports existing literature suggesting that higher educational exposure may increase occupational choice complexity (Pahnke et al., 2024).

Successor Continuity Intention

Respondents were asked:

"If you were entirely free to decide today, would you continue your family business?"

Table 2 Distribution of Succession Intention

Response	Frequency (n)	Percentage (%)
Yes	74	35.6
Unsure	28	13.5
No	106	51.0
Total	**208**	**100.0**

Source: Field Survey (2026)

Figure 1 Succession Preference Distribution

Interpretation

The findings show that intentional refusal exceeded willingness to continue family businesses. This suggests continuity decisions may increasingly involve behavioural preference rather than structural readiness.

Hypothesis One H01

Identity Formation has no statistically significant relationship with succession refusal.

Table 3 Pearson Correlation Matrix

Variable	Mean	SD	r	p-value
Identity Formation	4.08	0.69	−0.702	0.001
Succession Intention	2.31	0.81	—	—

Decision: Reject H01

Interpretation

A strong negative relationship was observed between identity formation and succession intention.

Respondents demonstrating stronger independent identity orientation reported lower continuity willingness.

This aligns with identity-based continuity perspectives (Burke & Stets, 2009; Zellweger et al., 2012).

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Hypothesis Two H02

Occupational Prestige does not significantly

influence succession refusal.

Table 4 Regression Results

Variable	Beta (β)	Std. Error	t-value	p-value
Occupational Prestige	0.483	0.081	5.94	0.001

Model Summary

R	R²	Adjusted R²	F
0.688	0.473	0.465	72.14

Decision: Reject H02

Interpretation

Occupational prestige explained approximately **47.3 percent** of variation in succession refusal.

This suggests that career prestige significantly influences successor decisions.

Hypothesis Three H03

Emotional Business Experience does not significantly affect succession decisions.

Table 5 One Way ANOVA

Source	SS	df	MS	F	p-value
Between Groups	6.211	2	3.106	8.43	0.001
Within Groups	38.524	205	0.188	—	—
Total	**44.735**	**207**	—	—	—

Decision: Reject H03

Interpretation

Emotional business experiences significantly influenced continuity outcomes.

Respondents reporting stressful or emotionally difficult business environments demonstrated lower succession willingness.

Decision: Reject H03

Interpretation

Emotional business experiences significantly influenced continuity outcomes.

Respondents reporting stressful or emotionally difficult business environments demonstrated lower succession willingness.

Hypotheses Four and Five Table 6

Multiple Regression Results

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Dependent Variable: Intentional Succession Refusal

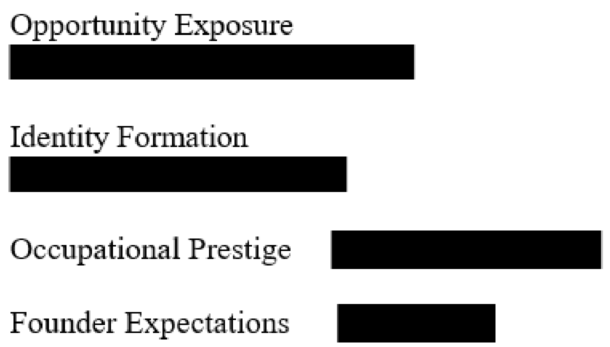
Predictor	Beta (β)	t-value	p-value
Opportunity Exposure	0.518	6.11	0.001
Founder Expectations	−0.271	−3.44	0.002

Model Statistics

R	R^2	Adjusted R^2	F
0.781	0.610	0.597	81.62

Decision: Reject H04 Reject H05

Figure 2 Relative Predictor Strength



Interpretation

Opportunity exposure emerged as the strongest predictor of succession refusal.

Founder expectations demonstrated an inverse relationship with continuity.

This finding supports Self Determination Theory and suggests that perceived autonomy strengthens successor engagement.

Qualitative Findings

Thematic analysis generated five dominant themes.

Theme 1

Ownership of Identity

"I wanted to build something that I chose to."

Theme 2

Business Was Associated With Sacrifice "Success came with exhaustion."

Theme 3

Prestige Has Shifted

"Professional careers feel more respected."

Theme 4

Exposure Creates Alternatives

“Once I saw other possibilities, inheritance stopped feeling automatic.”

Theme 5

Freedom Encouraged Continuity

“The less pressure I felt, the more open I became.”

DISCUSSION OF FINDINGS

The findings indicate that intentional succession refusal represents a distinct behavioural construct.

Identity formation and opportunity exposure emerged as dominant influences.

These findings support Basco et al. (2019), Reina et al. (2023), and Jaskiewicz et al. (2015), who argued that continuity increasingly depends on successor identity alignment rather than founder preparation alone.

The findings further suggest that continuity should be treated as negotiated commitment rather than inherited obligation.

Discussion of Findings

This study examined why second generation business members in Ibadan intentionally avoid taking over family enterprises and sought to reposition succession as a behavioural and identity based process rather than a purely managerial transition.

The findings indicate that continuity decisions are increasingly influenced by how successors define success, construct identity, evaluate opportunities, and interpret inherited business experiences.Identity Formation and Successor Willingness

The study found a strong and statistically significant relationship between identity formation and succession intention.

Respondents who demonstrated stronger independent identity orientation were less likely to express willingness to continue family businesses.

This finding supports Identity Theory which proposes that individuals pursue social roles consistent with preferred self concepts (Burke & Stets, 2009). The findings also align with Zellweger et al. (2012), who argued that continuity becomes more sustainable when entrepreneurial identity is transmitted alongside ownership.

Similarly, Jaskiewicz et al. (2015) emphasized that family firms survive not because assets transfer automatically but because successors internalize entrepreneurial identity.

The present findings extend this argument by suggesting that identity incompatibility may actively generate intentional refusal. This implies that successor rejection should not necessarily be interpreted as absence of gratitude or commitment. Instead, refusal may reflect efforts to establish independent identity and personal legitimacy.

Within Ibadan’s changing economic environment, identity appears to function as an increasingly important determinant of continuity.

Occupational Prestige and Intergenerational Decision Making

Occupational prestige emerged as another significant predictor of succession refusal. Respondents frequently evaluated inherited businesses relative to professional careers, international mobility, and educational

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VI June 2026

achievement.

This finding supports Social Identity Theory which proposes that career decisions are influenced by symbolic meaning and social positioning. The results are consistent with Putnam (2000), who argued that occupational choices increasingly reflect belonging and status formation.

They also support Pahnke et al. (2024), whose findings suggest that successor expectations evolve alongside broader economic transformation. The findings indicate that younger generations may no longer view entrepreneurship as automatically superior to formal employment.

Family businesses therefore increasingly compete not only economically but symbolically. This finding has important implications for founders who assume that profitability alone guarantees continuity.

Emotional Experience and Business Continuity

The study found that emotional business experiences significantly influenced succession outcomes.

Participants who associated business participation with prolonged stress, family sacrifice, conflict, or emotional absence reported lower willingness to continue. This finding contributes to emerging scholarship emphasizing socioemotional dimensions of family enterprise.

Reina et al. (2023) argue that continuity depends partly on whether successors associate businesses with emotional fulfilment rather than obligation.

Similarly, Madison et al. (2017) found that stewardship behaviours strengthen where successors experience supportive relational environments.

The present findings suggest that children may inherit emotional meanings before they inherit ownership. Businesses associated with burden may therefore become difficult to sustain across generations.

Opportunity Exposure and Continuity Decisions

Opportunity exposure emerged as the strongest predictor of intentional succession refusal.

Respondents with greater awareness of alternative pathways demonstrated lower automatic commitment to continuity.

This finding supports Basco et al. (2019), who proposed that transgenerational entrepreneurship depends on adaptation rather than simple inheritance.

The results also support recent observations that younger generations increasingly evaluate opportunities through flexibility, autonomy, and global competitiveness. Unlike earlier generations whose occupational choices were constrained, contemporary successors often compare inheritance against broader possibilities.

This finding suggests continuity can no longer rely exclusively on tradition. Businesses must remain attractive within changing economic landscapes.

Founder Expectations and Successor Autonomy

Founder expectations demonstrated an inverse relationship with successor willingness. The results suggest that increased expectation and obligation may reduce continuity intention.

This finding aligns strongly with Self Determination Theory (Deci & Ryan, 2000), which argues that sustainable commitment emerges through autonomy and intrinsic motivation.

The findings further support Habbershon and Pistrui (2002), who emphasized balancing family influence with entrepreneurial freedom.

An important insight emerged from qualitative findings: successors who reported feeling free to leave often expressed greater openness to remaining.

This suggests voluntary continuity may produce stronger long term outcomes than expectation driven succession.

CONCLUSION

This study examined intentional succession refusal among second generation business members in Ibadan and argued that business discontinuity should not be understood exclusively as an outcome of weak planning or poor governance.

The findings demonstrate that successor decisions increasingly reflect identity formation, emotional inheritance, occupational prestige, opportunity exposure, and founder expectations. The study introduces intentional succession refusal as a distinct analytical construct separate from succession failure.

Where previous scholarship primarily explains discontinuity through organizational deficiencies, this study argues that continuity increasingly depends on successor willingness.

The findings suggest that business sustainability in contemporary Nigeria requires more than preparing successors operationally. It requires building enterprises that future generations willingly identify with.

Accordingly, successful succession should no longer be measured solely by transfer completion. It should also consider successor agency, autonomy, and long term engagement.

Business continuity may therefore be strongest when inheritance becomes invitation rather than expectation.

Contribution to Knowledge

This study contributes to family business scholarship in five major ways.

First

It introduces intentional succession refusal as a distinct explanatory framework.

Second

It expands succession theory beyond governance and planning.

Third

It contributes evidence from Ibadan and strengthens African family business literature.

Fourth

It integrates behavioural and identity theories into continuity analysis.

Fifth

It reframes continuity from transfer success toward successor choice.

RECOMMENDATIONS

Based on the findings, the study recommends:

1. Family businesses should replace assumption based succession with dialogue based succession.

2. Founders should expose successors to strategic decision making rather than operational labour alone.
3. Family businesses should institutionalize governance and reduce founder dependence.
4. Families should normalize multiple definitions of success.
5. Government and SME support institutions should introduce continuity advisory programmes.
6. Universities should integrate family business transition studies into entrepreneurship education.
7. Future research should examine whether intentional refusal produces stronger long term entrepreneurial outcomes.

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