

TOPIC:

Ensuring sustainable businesses in
Ghana, the role of Succession
Planning in SMEs.

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INTRODUCTION

Succession planning has generated tremendous attention among practitioners and academia across the globe.

Research has it that companies understanding of succession planning can translate into a pragmatic strategy, to ensure the selection of right people for global roles, and development of those people in ways that lead to significant competitive advantage (Elms & Low, 2013).

The importance and dominance of SME across the globe cannot go unnoticed.

PROBLEM STATEMENT

Researchers opined that one of the best ways to address the issue of unemployment is by leveraging on the employment creation potential of SME businesses (Nkonde, 2012).

The SME sector is bedeviled with issues of succession planning on exit of the owner/proprietor (Mensah, 2012), statistics indicated that 70% of SME businesses collapse as a result of the absence of succession planning (Domfeh, 2011). As such it has become increasingly important for studies to offer some insight into making the business of SMEs more sustainable so they can drive the development of economies.

The cost of business failure, especially SMEs has adversely affected the social and economic growth of the African continent.

RATIONALE OF THE STUDY

To provide an empirical support for the impact succession planning has on the effectiveness of SMEs in the Ghanaian context and to some extent the African continent.

To offer Ghanaian SME owners insight into the form their business succession plans should assume once they desire for sustenance.

STUDY OBJECTIVES

The main objective of the study is ensuring sustainable businesses in Ghana, the role of Succession Planning in SMEs. Therefore, the specific objective is :

1. To assess the impact of succession planning on the sustenance of SMEs in Ghana.

LITERATURE REVIEW

A study among SME owners in the Adentan Municipality in Accra, Ghana revealed that majority of the selected businesses do not have a deliberate plan for succession (Ganu, & Boateng, 2012).

Karanja (2012) also established that there is a significant link between the role of business succession and the survival of SMEs in Kenya.

Adedayo, Olanipekun, and Ojo (2016) also found a significant positive association between succession planning and family business sustainability among Nigerian businesses.

RESEARCH METHODOLOGY

The type of research design used in this study was the mixed method research design.

The mixed method research design combines both qualitative and quantitative research strategies.

ANALYSIS OF RESULTS

The data was analyzed using the thematic analysis. The findings pointed out that succession planning has a positive impact on the sustenance of a business.

As the managers or business owners are able to identify the most suitable candidate for their business succession and offer them the needed knowledge, skills and experience, they increase the survivability of their businesses.

The study alludes with the finding of Soltani and Moghadam (2016) who found that succession planning significantly impact on the effectiveness of the organization.

MAJOR OUTCOMES

In line with Osibanjo, Abiodun, and Obamiro (2011) who reported, some Human Resource practices, like talent retention positively impact survivability of organizations.

Findings congruent with Linkletter (2015), he indicated that succession planning identifies and develops potential leaders to fill up leadership positions in organization, prevents becoming handicapped on talent after the exit of employees, this ensures the longevity of the organization.

CONCLUSION AND POLICY IMPLICATIONS

SMEs should enact and implement policies that will promote the implementation of a comprehensive succession planning system in their organizations.

The policies ought to provide legal and leadership (top management) support required for such endeavor.

The findings would inform policy making at the macro level, as well as serve as the catalyst to spur the enactment and implementation of policies at the micro and organizational-level.