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Article

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Management dynamics in the knowledge economy

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Reference: Odiachi, Joyce M./Sulaimon, Abdul Hameed Adeola et. al. (2023). Succession management : a proficient resource in organisational sustainability?. In: Management dynamics in the knowledge economy 11 (2/40), S. 112 - 127.
<https://www.managementdynamics.ro/index.php/journal/article/download/523/468/2362>.
doi:10.2478/mdke-2023-0008.

This Version is available at:

<http://hdl.handle.net/11159/631070>

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Succession Management: A Proficient Resource in Organisational Sustainability?

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Received: March 25, 2023

Revised: May 23, 2023

Accepted: June 2, 2023

Published: June 19, 2023

Abstract: The competitive business environment has made it imperative for organisations who desire to remain relevant put forward survival strategies. This study explores the effect of succession management on three dimensions of organizational sustainability among insurance industry employees in Nigeria. Data was collected from a sample of employees from selected companies. The study utilised structural equation modelling (SEM) to test the hypothesized model of succession management and organisational sustainability as separate but related processes. Looking at the three dimensions of sustainability (environmental integrity, economic prosperity and social sustainability) and how they impact succession management, the findings indicate that succession management has a significant relationship with organisational sustainability across all three dimensions. The study concludes that insurance companies comprehend the inherent potential of a robust and active succession management programme in the drive for organisational sustainability. The study further discusses the theoretical implications of the relationship.

Keywords: succession management; environmental integrity; economic prosperity; social sustainability; insurance industry.

Introduction

It is imperative for organisations to have the right leadership to drive organisational goals. Calof, Arcos and Sewdass (2017) observe that organisations require alertness to the changes and the possible influence these may have on their survival strategy. The discourse around organisational sustainability within the insurance sector both locally and internationally, has grown in recent times due to the shifting dynamics, highlighting the need for other risk factor measures. Succession management is perceived to be one of this other risk factor measures with Wiatt et al. (2022) noting that existing literature appears to accept that succession refers mostly to management or leadership transfer. Chiaramonte et al. (2020) defines sustainability as an all-inclusive approach to organisational management, focusing on creating and maximising social, economic and environmental values in the long-term. Swarnapali (2017) describes sustainability as an organisation's capability to attend to the needs of its stakeholders' both in the present and in the future without any undue compromise. The insurance contract on the other hand, is recognised globally as a means of protection for the assets and finances of individuals and organisations. The comfort provided therein, enables individuals and firms to function effectively after a loss, without disruption. Insurance is a mode of protection made up of a pool of funds from various policy-holders that is used to pay the insured for unforeseen losses. The confidence of customers with respect to the safety of invested

How to cite

Odiachi, J., M, Sulaimon, A.-H. A., & Kuye, O. (2023). Succession management: a proficient resource in organisational sustainability? *Management Dynamics in the Knowledge Economy*, 11(2), 112-127. DOI 10.2478/mdke-2023-0008

ISSN: 2392-8042 (online)

Journal Abbreviation: Manag. Dyn. Knowl. Econ.

www.managementdynamics.ro

<https://content.sciendo.com/view/journals/mdke/mdke-overview.xml>

funds and possible claims payable when the need arises goes a long way and this can only be possible where the relevant insuring organisations are still existent and sustainable.

The importance of organisational sustainability within the insurance sector may not easily be overlooked. With its concept of futuristic thinking, it aligns with that of the insurance business. This is because while insurance appears to speak to protection against risks of loss such as death and property damage, sustainability, on the other hand, speaks to the risks of depletion of resources as a result of economic disruption, commerce, and industry. Combating sustainability risks may offer challenges that are new to the insurance industry, but it may also present opportunities. The process of underwriting is a major stage in the implementation of the insurance contract (Czerniak & Klapkiv, 2018) and the seeming increase in competition level within the market due to the advent of new entrants, may have called for a re-evaluation of the risks factors being measured and a shift from the purely financial indicators to non-financial indicators such as sustainability, technology and so on.

Organisations may be challenged, with creating available talent pools when issues relating to staff attrition arises, due to varied reasons such as relocation, resignation, retirements or lack of skillsets. Discovering new ways of competition in running the business, may provide an organisation a leverage to strategically redefine itself. To effectively do this, resources are required and human resource is one of the important resources of an organisation. According to Monyei et al. (2021), finding a solution in the long-term, that sustains a capable workforce able to provide business sustainability remains a puzzling aspect for most organisations. The insurance sector is not immune to these challenges as succession management and organisational sustainability appear to be issues that have continuously challenged the Nigerian insurance industry. Ahsan (2018) affirms that succession management is a means by which organisations determine the potential of vital staff, whilst ensuring that there is an existing strategy for their seamless replacement. Succession management goes beyond succession planning and is an encircling word that systematically determines critical roles open for vacancy, identifies possible successors, and ensuring that there is the provision of the necessary skills and experience required for the roles (Stadler, 2015).

Like many other sectors of the economy, the insurance industry in Nigeria, has witnessed her fair share of challenges. Over the years, the industry has grappled with challenges such as limited expertise, low market penetration, and feeble institutional framework (Adetunji, Nwude, & Udeh, 2018; Odiachi, Kuye, & Sulaimon, 2021). All these have posed threats to organisational sustainability within the insurance industry in Nigeria which have caused great concern to the industry stakeholders. To address these issues and more, there appears to be an assumption, that the industry requires a massive turnaround not only with respect to the injection of funds, but also to accountability for these huge sums of funds. Thus, there might be need for strong sustainable entities, driven with the power to harness its people and inculcate a system that ensures seamless role transitions in driving company goals.

The insurance industry is a risk bearer and provides strong support for economic development. Furthermore, Chiaramonte et al. (2020) assert that insurers as risk-absorbers and institutional investors in long-term funds, stand a greater chance to benefit from sustainability practices. However, there appears to be very little documented research of this sector especially within the ambit of this topic. Tica and WeiBenberger (2022) explored the German insurance industry and the effect of regulatory changes in controlling reputational scandals. Gaganis, Hasan and Pasiouras (2020) also looked at regulations and development in the life sector. Despite the seeming importance of succession management to both the employees and the organisation, discussion on its

relationship with sustainability appears limited considering the role of employee engagement in service delivery (Noesgaard & Hansen, 2018). Research has also shown, that employees are a strong resource of an organisation, with Talpos et al. (2017), observing that an organisation's determination to preserve and advance its' intellectual capital for future growth, will in the competitive space, be the only sustainable differentiation. Succession management studies have mainly focused on other sectors such as transportation, manufacturing and small and medium enterprises (Baker, Lunsford, & Pifer, 2018; Monyei et al., 2021; Onyeukwu & Jekelle, 2019) with little or none existing around the insurance space. Hence, it becomes necessary for an empirical study of this nature to review the relationship between these two important constructs. It is in the light of this, that this study attempts to bridge the gap in literature and examines succession management from the perspective of the insurance industry and its relationship with organisational sustainability with a focus on the Nigerian insurance industry.

First, the knowledge gained from this study, will contribute to the organisational sustainability literature by exploring how the insurance industry can influence succession management engagements. Secondly, in emphasising the importance of succession management in building a strong and viable insurance sector drawing upon a rich and vibrant source of talent pool. This paper is structured by presenting the introduction, which is followed by the hypotheses development. The presentation of the research method is next, followed by the findings of the study, discussion and practical implications. The paper concludes with suggestions for further studies.

Literature review and hypotheses development

Organisational sustainability (OS)

Notwithstanding several theories and techniques incorporating sustainability into strategies and operations of the organisation, there still seems to be a non-consistency in the results to improve sustainability performance (Tourais & Videira, 2019). Sustainability is a notion that has evolved recently around the corporate environment with the Sustainable Development Goals (SDGs) pushing for achievement of a better and sustainable future for the world populace. It is concerned with supporting the society in a constructive manner and ensuring that the operations of the organisation together with the community within which they exist are well protected (Monyei et al., 2020). For an organisation to be sustainable in today's business world there is a need for conscious effort and continuous moves towards every possible advantage (Du Plessis & Gulwa, 2016).

Organisational sustainability is a concept that evolved from the widely known corporate social responsibility and corporate sustainability by researchers and symbolises the capability of an organisation to excellently contribute to sustainable development while offering economic, environmental, and social benefits (Tur-Porcar et al., 2018; Batista & de Francisco, 2018). Phenomena such as globalisation, changing consumer behaviour, disruptive innovation, are some of the issues that firms have to deal with in the marketplace to survive, with AlQershi et al. (2022) observing that innovation played a strong role in business sustainability of insurance companies. These and the unpredictable economic situation within the various sectors of the economy have made sustainability a very crucial issue (Khalili et al., 2017). According to Lankoski (2016), in spite of the increasing popularity in the transition towards sustainability by organisations, an absence of social and environmental results raises a debate concerning the effectiveness.

Demir et al. (2023) observe that each organisation's foremost objective is achieving sustainability and that organisational sustainability is a weighty concern that assist companies reduce risks and strive for stability in uncertain markets. Lozano (2018) defines organisational sustainability as the contribution of the organisation to sustainability symmetry, not only limited to the tripod of environmental, economic, and social dimensions, but also including the interrelation of all, both within and throughout both short and long-term dimensions. This involves the non-stop integration of sustainability matters into all facets of the organisation, the change processes, and the rate at which these changes occur. The system elements transform the inputs into outputs that have value across all the tripods. These fulfil the organisation's objective established on efficiency and effectiveness of the resources. The organisation is affected by the organisation's infrastructure, human and nonhuman resources as well as the relations with its stakeholders. This study aligns with the sustainability definition by Lozano (2018). Given this, the main essence of this study is to investigate the extent to which succession management influences organisational sustainability of the insurance industry in Nigeria.

Succession management (SM)

Succession management is the procedure through which organisations discover and appraise prospective successors, whilst grooming them for prospects within the organisation both at present and for the future (Monyeiet al., 2021). Succession management is premised on the maintenance of the continuity of an organisation and its values irrespective of changes. According to Ahmed-Gamgum (2018), succession management is a human resource process of identifying in-house talents that have exhibited high potentials and developing such talents in readiness for possible vacancies in the nearest future, taking into consideration candidates who are ready for key positions to avoid a vacuum. The need for a conscious and intentional effort in raising successors within firms in the Nigerian insurance sector is one that perhaps, is not as documented as it should be and one which needs to be brought to the fore. A succession plan is a written document which, in addition to outlining the ownership form, organisational and management structure, of an organisation in the future, also identifies the manner, in which the transition will be handled from one generation to another (Adedayo et al., 2016; Cho et al., 2018).

Succession management has grown to be an influencing factor in an organisation's success and appear to have become imperative as a result of shifts in demography, shortage of skills and non-fit, increased globalisation, and level of employee engagement amongst others. It is the intentional process by an organisation over time, of sourcing, identifying, grooming, and mentoring a specific set or group of individuals who have the requisite skill, to develop and enable them to assume leadership responsibilities as they arise in order to avoid gaps within the organisation, engender growth and improved performance, and ensure sustainability (Cho et al., 2018).

It is an essential component of the human resource planning procedure. When viewed in comparison to external recruitment, the need to identify, train, retrain and retain personnel within the organisation has grown more important over the years and this has made companies view the human resource as one of the important capabilities (Stadler, 2015). If well integrated, succession management when engineered may have an encouraging impact on managerial operations (Ioannou & Serafeim, 2019).

Succession management (SM) and social sustainability (SOS)

Insurance firms in Nigeria appear to be on a decline in terms of sustainability and this is an area of great concern to stakeholders within the industry. This is sometimes experienced through non-performance of companies sometimes due to transition gaps which in some cases, lead to an actual collapse of the entity. Sustainability derives from an on-going concern and organisations face both external and internal challenges, one of which is succession. This is a problem that requires attention because, critical decision-making that is relevant to the organisation's sustainability, may be possible where the organisation has in place a strong and proficient succession management process.

Whitt, Todd and MacDonald (2020) note that transgenerational transfer is important in family businesses especially within the agriculture business which is greatly impacted by social sustainability. Social sustainability encompasses benefits that impact an organisation both within the firm and also the society outside the firm (Pagell & Wu, 2009). While this dimension provides opportunities to strengthen the community, it also provides an avenue to help the industry create awareness, boost its market share and improve penetration. According to Serholt et al. (2017), the insurance industry could lend support to the communities through affordable provision of social amenities, risk assessment and advisory roles.

The above thus, indicates that the social dimension of sustainability is important to the insurance industry. Drawing from the social exchange theory and past research, this paper assumes that when an organization interacts with its immediate society, there exists attendant benefits to be derived therefore and hypothesises that:

H₁: SM will be significantly related to insurance industry SOS.

Succession management (SM) and economic prosperity (EC)

In the last couple of years, the insurance industry has witnessed changes, with the challenge to create a sustainable entity being the focus of industry stakeholders. Some of the issues aimed to be addressed include but not limited to corporate governance, inadequate succession systems, amongst others. The current climate within the economy identifies businesses as a significant driver of economic growth, as such, the need for continuous existence of such businesses cannot be over emphasised. However, this can only be possible when there is a deliberate effort to preserve leadership stability in significant positions. Existing literature noted a relationship between firm value and sustainability as well as its beneficial effect and suggested that, the possible impact and value that is derived from its existence should not be compromised (Vihari et al., 2018; Yu & Zhao, 2015). On the other hand, Onyeukwu and Jekelle (2019) observe the existence of a problem of non-survival of an organisation after the exit of the initiators as a result of the absence of a planned program of succession in the transportation sector.

Economic sustainability characterises the need to guarantee economic prosperity to an organisation and its stakeholders (Vachon & Mao, 2008). With the current influx of foreign-owned companies and the attendant threat to local companies, economic prosperity is a key factor that should be given attention as it may have the capacity to alter the level of firm sustainability in the Nigerian insurance industry. Existing literature also noted that organisations strategies should reflect risk and uncertainties that are predicated upon the principle of the precautionary, as well as equity, informed consent, and the need for risk-takers and bearers to take part in the decision-making process. Nyoni (2019) further observe, that circumvention of the discontinuity problem is very relevant in driving economic growth as this is a bane within the insurance sector.

While organisational sustainability requires skilled and available successors for critical positions, the succession management programme seeks to develop employees with high potentials and to retain them so as to ensure the organisation possesses the requisite talent source most likely to yield to economic advantage (Jain, 2017). Due to competition, drastic organisational changes which affect the workforce, and oftentimes intense corporate governance requirements, the need for succession management, may have become imperative. The pivotal moment in an organisation's life, is the passing of the baton from one generation of leaders to another (Alradhi et al., 2021), as it impacts business success which in turn impacts economic growth. It is on this premise that this study hypothesises that:

H₂: SM will positively and significantly be related to EC in the Nigerian insurance industry.

Succession management (SM) and environmental integrity (ENS)

Environmental sustainability through prevention of pollution, efficient use of natural resources and materials, has as its' aim the reduction of environmental impact (Khalili et al., 2017). Environmental, social and governance issues are increasingly becoming an integral part of discussions across the globe, with interest from the insurance sector in sustainable development needing attention. The institutional theory contends that organisations' formal structures are offshoots of its observance of the customs and beliefs from the institutional environment, and notes that this environment is of great importance (Fligstein & Dioun, 2015; Meyer & Rowan, 1977). The theory underscores the normative influence of the environment on the activity of an organisation and the process by which these norms are established as guiding principles for social behaviour (Falaster et al., 2017). The relevance of this theory can be seen from the perspective that the insurance industry operates within the society and not in isolation. Institutional theory is built to highlight the social and cultural burdens enforced upon organisations that impact the respective practices and structures, laying emphasis on official laws, guidelines, and activities of states and the weighty effects they have on market structure (Dobbin, 1994; Scott et al., 1994).

The insurance industry plays multiple roles within the environment as a risk manager, an investor and an insurer, supporting the promotion of environmental integrity in line with the PSI ESG Guide for non-life insurance (UNEP-FI PSI, 2019, 2020), Environmental dynamics is an integral part of the insurance sector, as risk management is at the core of its values. The insurance industry has a big part to play in the current battle against climate change, waste management, pollution of seas and air. All these, while affecting the environment, turn around to affect the industry in terms of huge losses such as bush fires, hurricanes, earth tremors. Encouraging the potential inherent in the adoption of reduced greenhouse gas emissions may be in the interest of the insurance industry (Iglinski & Babiak, 2017).

Consumers depend on the sustainability of an insurance company's business model and where an employee's act damages a customer's trust, current reputational capital may be damaged (Tica & WeiBenberger, 2022). Such acts are worrisome for an insurance as its financial accomplishment is partly dependent on a good reputation. When a society believes that an organisation operates within the accepted guidelines, there is a tendency to identify more with such an organisation. However, for an organisation to effectively drive such goals, there is a need for continuity, and this can only be possible where there is inter-connectivity usage of succession management across the organisation working with the same objective. This study thus, hypothesises that:

H₃: SM will be positively associated with environmental integrity (ENS).

The above hypotheses are reflected in the conceptual model diagram below:

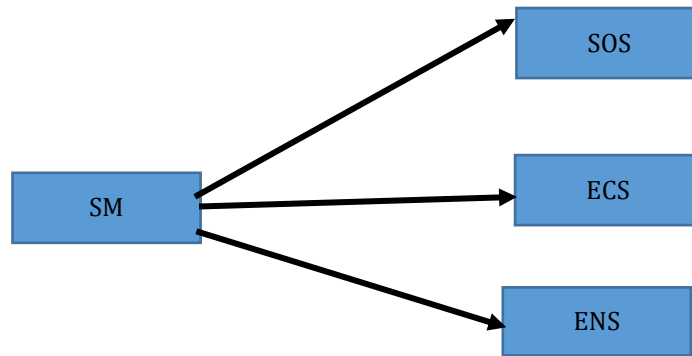


Figure 1. Conceptual model
Source: own processing

Empirical review

Chiaramonte et al. (2020) investigate the concept of sustainability on commercial stability within the insurance sector in America focusing on listed companies. The study found that stability of insurers was enhanced by sustainability driven by environmental and social dimensions with stringer emphasis on the life sector. The study concluded that regulators whilst still focusing on governance issues, should pay more attention to environmental and social practices as well in driving stability. Adebisi and Bakare (2019) employing the structural equation modelling set out to investigate survival and sustainability strategies of small and medium scale enterprises. The study found that SMEs who employed differentiation strategies amongst others, did better. The study made recommendations, one of which was the need for SMEs to consider strategic choices to guarantee sustainability.

AlQershi et al. (2022) query the beneficial effect of strategic orientation while analysing the possible interface between innovation and business sustainability in the Malaysian insurance industry. The sample data was analysed and the hypothesis tested using PLS-SEM. Results from the study indicated that two dimensions of innovation (product and process), had a significant influence contrary to administrative innovation. Further results revealed that strategic orientation also mediated the relationship between process and product innovation and business sustainability. The study concluded that innovation as an activity combined with strategic orientation are leverage within a competitive market. Ugoani (2020) employs an exploratory research design to investigating the effect of management succession planning on organisational sustainability. The study observes that management succession planning was important for the achievement of organisational sustainability and that there was a need for a supportive leadership framework. The findings revealed that instituting succession awareness was essential for organisational sustainability. The study concluded that there existed a positive relationship between both variables and recommended that the implementation of management succession planning should be more concerned with finding an exceptional individual to fill the leadership role who will be fully motivated to drive the organisations quest for a sustainability entity and not necessarily, one who is the best person.

Wiatt, Marshall and Musselman (2022) investigated the succession process in the agricultural sector from the perspective of ownership and management transfer employing a bivariate probit regression. Findings from the study revealed that ownership and business characteristics were significant to both dimensions of the succession

process. The study concluded that family businesses within the farming community, that took into consideration goals, identification of possible successors and proper education on commencement of the transition process, stood a greater chance. Examining the leadership pipeline in a consortium of colleges, (Baker et al., 2018) employed regression analysis, the study found that there was a need for encouragement of employees to develop their leadership aspirations. The study highlighted the need for greater leadership development and support for the future.

Monyei et al. (2021) study succession management within small and medium enterprises to identify the impact. Adopting a survey method and analysing data through correlation, the study found that succession management had a positive correlation with corporate sustainability. The study concluded that succession management supported organisations attract and retain quality workforce. Das and Pati (2016) study the linkage of succession planning and organisation strategy. The study reviewed the existing succession planning framework and argued that there was not only the need to recognise talent gaps currently existing but to also identify future gaps and prepare for such. The study went further to propose a new framework from a two-pronged approach of corporate succession planning and departmental succession planning.

Examining the impact of regulatory changes in the German insurance industry, Tica and WeiBenberger (2022) attempt to understand reputational indignities and the mechanisms that evolve which may lead to regulatory changes. The study reviewed the use of regulation as a control mechanism employing a case study. The findings revealed that where there are misbehaviours leading to scandals, externally enforced regulations can be used as a control mechanism. LeCounte, Prieto and Phipps (2017) look at the importance of talent management policies and practices as it related to leadership pipelines and reviewed succession planning for the role of CEO in organisations. The study employed secondary data and found that without a succession plan in place, the organisation would be in a perilous situation and the firm's equilibrium would be affected. The study concluded that the abrupt departure of a CEO would lead to a significant loss of firm-specific senior-level expertise and knowledge and that top executives must place paramount importance on developing a CEO succession plan.

Onyeukwu and Jekelle (2019) study the impact of leadership succession on the sustainability of small enterprises with the aid of a survey research design in South East, Nigeria. The study found that human capital development and mentorship were important aspects in the drive for sustainable organisations and that there was a significant relationship between succession planning and sustainability within the small family-owned business. In another study, Jain (2017) examined succession planning and talent management to understand the strength of companies' succession management (SM) programmes. The study used a qualitative method and results revealed that organisations that focused on talent management caused them to successfully attract, retain and develop their essential talents. Thus, it was suggested that organisations must allocate sufficient resources and specific attention to talent management for its survival. Nnabuife and Okoli (2017) study the impact of succession planning on the sustainability of family firms through a quantitative study of a few family-owned businesses. The study found mentorship as a strong indicator of sustainability and concluded that it played a relevant role in sustaining family businesses. The study recommended that it be put in as a process and individuals who are groomed are those who have an interest.

Methodology

Sample derivation and procedure

Descriptive research design was utilised to provide clarity with respect to the study population and enabled primary data generation, with responses elicited at a single point in time. The population comprised employees of selected insurance firms with a sample size of 412 employees which cut across junior and senior cadre of the professional workforce. Multistage sampling technique was used in the study. In line with Bell, Bryman and Harley (2018), all standard ethical practice was adhered to with the participants duly assured of confidentiality of their responses.

Measures

Variables were measured employing existing scales used and validated in literature and the reliability was measured. While organisational sustainability was measured from each dimension, succession management was measured as a uni-dimensional construct. All items were measured on a five-point Likert scale from strongly disagree (1) to strongly agree (5).

Succession Management: Succession management was measured using the Huang (2001) 10-item scale. This scale has been widely used in existing literature with items such as “the organisation’s management assigns staff and departments specific responsibility for succession planning” to “our organisation’s management at the highest level is devoted to the succession management issues and programme”. The reliability of the scale was above the required standard at 0.76.

Organisational Sustainability: Organisational sustainability was measured using the performance indicators from Kocmanova et al., (2016). 20 items with three components of economic, society and environment were measured. Sample items include “our company adheres to corporate governance standard” to “our organisation has in place a climate change strategy and it is communicated to all”. Reliability measures of each variable ranged from 0.75 to 0.78, above the required minimum (Cronbach’s $\alpha > 0.70$).

Data analysis

Quantitative technique with the aid of SPSS AMOS 23 was employed to test the study data with the use of variance based structural equation modelling. Data for the study was derived from a questionnaire. The findings are stated together with interpretation from the researcher.

Results

Measurement validation

A confirmatory factor analysis (CFA) was first carried out to confirm the model fit and validation of study constructs. The CFA examined variety of models starting with a four-factor model (succession management, economic, society and environment) with results indicating a model fit (RMSEA=0.07; SRMR=0.06; CFI=2.97). Other models obtained a poor fit, while the Harman single factor test indicated that common method biases (CMB) had no significant threat to the data. Upon confirmation, the hypotheses were tested employing the structural equation modelling (SEM). The measurement model shows the factor loading of the latent variables indicators.

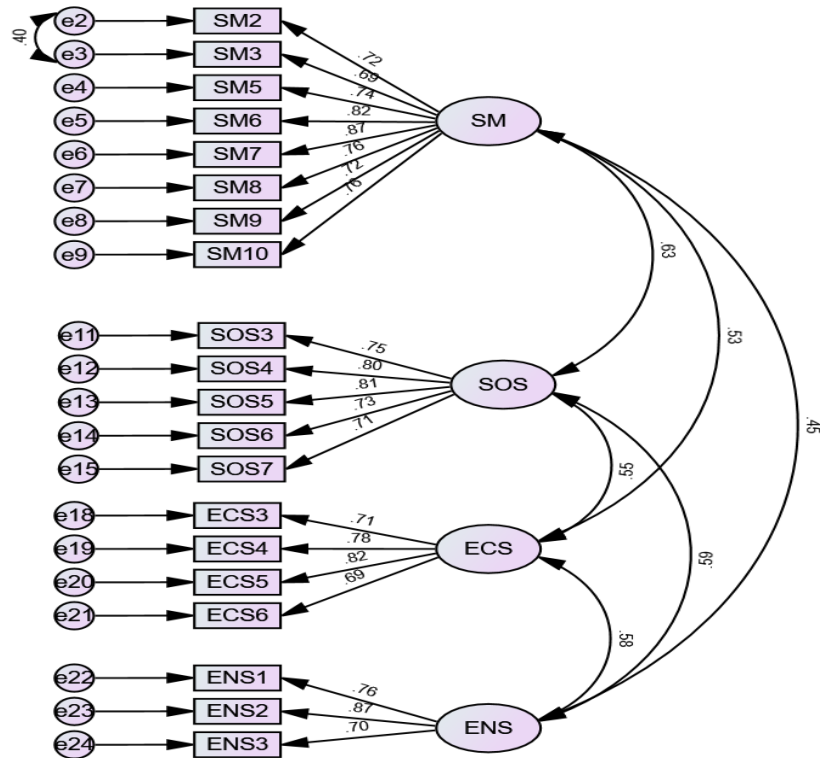


Figure 2. Measurement model
Source: own processing

In line with Fornell and Larcker (1981), the CR of the study variables above the approved threshold of .70 (see table 1). Results of the convergent validity reveal the average variance extracted (AVE) for all latent constructs above 0.5, while the discriminant validity was also valid. Furthermore, the values of the MSV were lower than the values of the AVE (MSV < AVE) and the square root of the AVE which were indicated by the diagonal values of each variable were higher than the correlations of each values. All the above, thus, confirms the composite reliability, convergent validity and discriminant validity for the study.

Table 1. Validity and Reliability Analysis

	CR	AVE	MSV	SM	SOS	ECS	ENS
SM	0.917	0.580	0.397	0.762			
SOS	0.874	0.581	0.397	0.630**	0.762		
ECS	0.836	0.561	0.336	0.533**	0.554**	0.749	
ENS	0.823	0.610	0.350	0.451**	0.592**	0.580**	0.781

Key: Sig. *p < .050; **p < .010. CR: Composite Reliability; AVE: Average Variance Extracted; MSV: Maximum Shared Variance; SM: Succession Management; SOS: Society; ECS: Economic; ENS: Environment

Source: own processing

Hypotheses test

This study set out to examine the influence of succession management on organisational sustainability (OS), with OS treated as a multi-dimensional construct.

Table 2. Path Analysis

Paths	Beta	SE	CR	Sig
SOS ← SM	.678	.040	17.100	**
ECS ← SM	.474	.036	13.304	**
ENS ← SM	.470	.044	10.504	**

Key: Sig. *p < .050; **p < .010. SE: Standard error; CR: Critical ratio;

Source: own processing

Discussion of findings

The first hypothesis set out to test if succession management had a significant relationship with social sustainability. The result of the regression indicated a significant relationship between succession management and society ($\beta = .67$; $SE = .04$; $CR = 17.10$; $p < .05$). Thereby, confirming H₁. Secondly, the relationship between succession management and economic prosperity was tested. The result revealed a significant relationship between the two constructs ($\beta = .47$; $SE = .03$; $CR = 13.30$; $p < .05$). The third hypotheses sought to confirm if environmental integrity was significantly related to succession management. The findings revealed a significant relationship ($\beta = .47$; $SE = .04$; $CR = 10.50$; $p < .05$).

This study examined the relationship between SM and the three dimensions of OS namely, social sustainability, economic prosperity and environmental integrity, drawing on the institutional theory to examine this relationship. The findings revealed a significant positive relationship between SM and SOS. This finding validated the research of Epstein et al., (2010) that showed that organisations that have internalized ideology of sustainability are stronger. Specifically, organisations that implement SM have a higher proportion of employees who are well engaged. This implies that the manner employees react is based on their belief that their personal aspirations align with goals of the organisation (Bailey et al., 2017; Baker et al., 2018). The findings also align with Onwuka, Ekwulugo, Dibua and Ezeanyim (2017) who opined that mentoring had a significant impact on organisational sustainability.

Similarly, the findings found a significant relationship between SM and economic prosperity (EC). This finding aligns with Onwuka et al. (2017) who noted the importance of a well-groomed and mentored leader in driving organisational goals and ensuring organisational sustainability (Onwuka et al., 2017). This finding also supports the findings of (Donner III et al., 2017) who noted that it is equally vital in ensuring long-term profitability and that succession planning was necessary for organisations to be financially viable.

Furthermore, the study found that SM was significantly related to environmental integrity (ENS). Lozano (2018) opined that environmental integrity played a significant role in business. This also aligns with Achumba, (1989) and Nnabuife and Okoli (2017) who noted that dependencies on certain sectors, government policies, power brokers and external influences all have an impact on the business. This study affirms the importance of succession management to organisational sustainability with a bit more emphasis on the insurance sector. Strong leadership and good organisational culture play an important part in decision-making that is sustainable. Organisational sustainability symbolises the capability of an organisation to excellently contribute to sustainable development while offering economic, environmental, and social benefits (Tur-Porcar et al., 2018). A calculated approach to management requires that, while considering the needs of stakeholders, sustainability is incorporated in the design of the processes, structures, and policies of the organisation (Tourais & Videira, 2019).

Overall, the results of the study across the hypotheses, supports the existing literature that emphasises the importance of succession management to drive sustainable entities. The insurance business is one of a promise. And only a sustainable entity can exist long enough to meet up with the promises made. This is further buttressed by Rosen et al., (2019), who observe that organisations who thrive are those who desire to be sustainable, adhere to values and have a well-structured succession management process in place, nothing that an SM programme that was effectively implemented aided the company to achieve long-term success and sustainability. This study results highlighted the importance of

succession management as one of the measures in driving sustainability and the strategic decision-making value of this construct.

Conclusion

Theoretically, the findings of this study extend the literature on organisational sustainability amongst companies in the insurance industry and highlights the role of succession management in influencing organisational sustainability across the three dimensions of social sustainability, economic prosperity and environmental integrity. This is consistent with existing literature that argues the inherent benefit of a good succession management programme (Jain, 2017). Furthermore, very little context-based research appears to have been done with respect to the influence of SM on OS within the insurance sector in a developing economy like Nigeria.

The study highlights the significance of succession management in promoting organisational sustainability across the three dimensions. It concludes that it is imperative for insurance companies understand and appreciate the inherent potential of a robust and active succession management programme in the drive for organisational sustainability. An organisation with a vibrant and ready talent pool has advantage over one who experiences succession gaps.

Drawing upon the institutional theory, the current study enhances literature and adds value by contributing to the understanding of the role of SM in driving organisational sustainability within the Nigerian insurance industry, thereby deepening our understanding of the importance of grooming and developing strong teams to drive sustainable entities that will be able to meet the promises made in the insurance contract as and when they fall due. It also adds value by highlighting the relationship between sustainability and firm value and the strategic decision-making value of succession management.

There are a few limitations to this study some of which include the participants who were selected from a few companies in the industry. Also, the selected companies cut across only two sub-sectors while also employing a cross-sectional survey. Future studies are advised to look at other sub-sectors of the industry such as loss adjusters, agents and reinsurance companies. Employing a longitudinal research method may also give rise to different outcomes. Future studies may also explore the use of a mediating variable.

Practical implications and recommendation

The findings of this study have implications for companies within the insurance industry, in view of its strategic importance to the economy with support for businesses which in turn translates to economic growth. Thus, organisations within the sector should endeavour to invest in a strong succession management programme to aid ready talent pools and avoid discontinuity in business.

It also has implications for the government as policies and regulations targeted at this sector should take cognizance of the importance of these constructs and avoid policies and regulations likely to choke the success or suffocate the efforts made by these companies.

The findings have managerial implications and recommends that the insurance industry understand and appreciate that human resource is gold. Hence, policies and structures that will support an efficient and effective succession management programme across

both corporate and departmental, should be encouraged and supported across the management to aid organisational sustainability.

For the society, there should be intentionality in adoption of reduced greenhouse house gas emissions and the insurance companies should provide support for their communities in actualising this in any way they can, understanding that in the long run, a safe environment translates to lower claims paid. Evidence points to the facts that combating sustainability risks is beneficial to organisations within the insurance sector in maintaining competitiveness.

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