

Intestacy and Business Continuity among Entrepreneurs in Ondo State, Nigeria

Authors : Igbekoyi Olusola Esther, Olurankinse Felix

Abstract : This paper examined the factors that militate against Will writing among entrepreneurs in Ondo State Nigeria and the effect of intestate death on business continuity after the exit of the entrepreneurs. The paper was written with a view to providing information on the reasons why intestate death is common among entrepreneurs in Ondo State and the effects on continuity of business after death of the initial owners. Data were obtained from primary source through the administration of questionnaires to entrepreneurs drawn from 50 registered manufacturing companies. These companies have been in existence for a minimum of 10 years with minimum staff strength of 20 workers each. These companies were selected using the purposive random sampling technique in order to capture firms that meet the requirements of this paper. Data obtained were analyzed using descriptive statistics, chi-square and regression analysis. The findings of the paper revealed that administration of Will, traditional beliefs, Will execution procedures, age and non- admissibility of Wills in court are the major factors that militates against Will writing among entrepreneurs in Ondo State. It was also discovered that chaos and instability in business, reduction in sales and productivity, poor succession planning, polygamous nature of marriages, difficulty in sourcing for funds and gender preference are joint predictors of business continuity in event intestate death which is evident in the result where $R^2 = .954$; (F 6, 26) = 89.644; (P < 0.01). The individual beta co-efficient, t- statistics and significance of each variable revealed that gender preference (.735; 7.031; .000) and poor succession plan (.402; 2.840; .009) have significant positive effect on business continuity; while reduction in sales and productivity (-.059; -.335; .740) and difficulty in sourcing for funds (-.217; -1.367; .188) have negative effect; other variables also have positive relationship but they are not significant. It is therefore concluded that business continuity after the exit of the entrepreneur is highly dependent on the rebuilding of confidence on Wills administration in ondo state Nigeria, proper succession planning and elimination of gender preferences.

Keywords : intestacy, business continuity, entrepreneurs, will, succession planning

Conference Title : ICFA 2015 : International Conference on Finance and Accounting

Conference Location : New York, United States

Conference Dates : June 04-05, 2015