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# Attitudes of poultry farm founders towards succession planning in delta state Nigeria

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#### Abstract

This study explores the perspectives and attitudes of founders of poultry farms in Delta State Nigeria, about passing their farms on to the following generation. 275 registered poultry farmers in Delta State were chosen through a random selection process. The study's goals were to determine the founder's attitude on willingness to transfer the poultry farm to a designated successor and to identify the factors limiting intergeneration farm transfer among poultry farmers. A systematic questionnaire inspired by the Theory of Planned Behavior was used to gather data. Frequency counts, percentages, and averages calculated from a 5-point Likert scale were used in the descriptive data analysis. Logit regression was used for inferential statistics. The findings indicated that the majority of respondents (62.50%) were men, the majority were middle-aged (49 years), married (70.91%), and 40.11% had a university degree. Approximately 39.20 percent of those surveyed had been farmers for 15 years. The majority of farmers (81.10%) of farmers expresses their willingness to transfer their farms business to a successor. Attitudinal factors influenced their willingness to engage a successor. The logit result showed that characteristics including sex, age, education, debt from farming, and farming experience contributed significantly to intergenerational transfer. Unwillingness of the successor as perceived by the farmer and debt owned by the farm is seen as major limitations affecting intergenerational transfer of poultry farm enterprise It is recommended that successors should be chosen from among the family farm labour early enough awaiting the decision on intergenerational farm transfer in order to foster sustainability of poultry industry.

Keywords: Poultry farm founders, attitude, intergenerational farm transfer

### Introduction

Hong *et al.* (2007) <sup>[10]</sup>, stated that poultry farming as part of livestock production is essential to meeting biological needs and enhancing the general well-being of the populace in any country. Maintaining poultry also helps the family's nutrition, including vital nutrients like iron and vitamin A, which are particularly important for children's health. The Intake of poultry meat is considerable in Nigeria as it is a common source of meat during the festivities and it is estimated that the average consumption of poultry meat in Nigeria is about 1.5 million tons annually, Oladeebo and Ambe-Lamidi (2007) <sup>[14]</sup>. The contribution of family-owned business to the Nigerian economy is believed to provide considerable source of employment, taxes, output, export, revenue and so on.

In Family-run firm, intergenerational transfer typically takes place in two key areas: Proprietorship and management (Agbim, 2019) [2]. Ownership succession involves handing over the business's assets and liabilities from the current owner to a successor. More broadly, the process of finding and preparing suitable people, whether family members or reliable associates, to assume more responsibility inside the organization is known as business succession planning (Cho, Limungaesowe, & Vilardndiisoh, 2018) [5]. Particularly within the family businesses, this planning centers on transferring both management and ownership across generations. According to Akpan and Ukpai (2017)

[4], Replacement planning is a strategic effort aimed at facilitating a seamless handover from the incumbent to a successor. This involves structured manpower development to promote the business's continuity and long-term success. They also emphasized that effective succession planning includes selecting a capable successor, gradually shifting control of management, and involving both family and non-family members in the process.

Over the years, some notable families have invested in diverse section of the economy. They include Damtata family, Odutola industries, Adebowale industries, Dru family, KB Omatseye industries, God is Good Transport, GUO Transport, Young Shall Grow Transport and so on, Given that knowledge can be passed down from generation to generation and, more importantly, the consistent growth of poultry feed manufacturers and suppliers of poultry medications and equipment, family companies predominate in the poultry subsector of the agricultural sector.

Attitudes represent the emotional reactions people have to a behavior, which are a compilation of their opinions about the activity and how they assess those opinions (Ajzen *et al.*, 1991) [3]. According to research, people assess and rank their views about a behavior before committing to it; the more strongly they believe in the conduct, the more likely they are to create intentions to engage in it. The perspectives of several academics, including Handler and Kram (1988) [9]; Harveston, Davis and Lyden (1997) [8]), within the

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framework of succession propose a link between certain traits of family-owned businesses and three key attitudes toward succession:

- 1. The incumbent's desire to keep the company in the family is a reflection of how desirable they believe succession to be.
- 2. How acceptable the concept of succession is to the larger family or reference group is indicated by the family's commitment to preserving ownership within the family.
- 3. The viability of a transition process is determined by the readiness and capacity of a reliable successor to assume control. The incumbent's intention to keep the organization within the family reflects how desirable succession is from their perspective.

Private enterprise The founders' syndrome appears to be prevalent in Nigeria, and few people have any plans in place for expanding it. If it is acquired based more on lineage and ownership than on skill and expertise, this could turn into a family trap. Dispelling the belief that gender inequality exists Selection should be based on competency; skills and the aptitude to respond to globalization changes without been gender prejudice.

Founders of businesses will usually want their heir to continue from where they stopped; hence elaborative plans are put in place to groom the children and identify that one that showed greater interest in the firm.

The economic impact of family-owned enterprises in Nigeria is believed to provide considerable source of employment, taxes, output, export, revenue and so on. Over the years, some notable families have invested in diverse sectors of the economy. They include Damtata family, Odutola industries, Adebowale industries, Dru family, KB Omatseye industries, God is Good Transport, GUO Transport, Young Shall Grow Transport and so on, In the Given that knowledge can be passed down from generation to generation and, more importantly, the consistent growth of poultry feed manufacturers and suppliers of poultry medications and equipment, family companies predominate in the agricultural sector's poultry subsector.

Even though intergenerational plan is activated, some intergenerational transfer plans do not succeed which can be due to certain factors. In some cases, the one who by birth is the first son may not take interest in being a successor because of interest in another career. There is also the issue of whether the founder is willing to transfer control to any offspring or sell off the farm.

Again, transition for farm families, the beginning of a farm enterprise is frequently a difficult time. Views of the founder's attitude as a factor influencing behavioral intentions to give control of poultry farm ownership with the use of theory of planned behavior will provide a suitable comprehension of the preferred methods by which to plan and implement the transfer process thereby leading to the continuity of the business and contribute to economic development. Nigerian society has seen a large number of farmers migrate into poultry farming as a result of the industry's realized income. Experience, however, has demonstrated that a large number of farms, including poultry farms, have closed following the passing of the farmer (proprietor). There is a good chance that the

enterprises will not be transferred across generations. It is anticipated that adoption of intergeneration farm transfer will birth continuity of poultry farmers.

Building on planned behavior theory, according to (Le Breton-Miller, Miller, and Steier, 2003) [13], four factors must be taken into account in order to completely comprehend the transition process in family-owned businesses: the family, the firm, the industry, and the cultural context. When deciding what kind of inheritance plan to implement in the family, these circumstances are also crucial for examining the surroundings and weighing the organization's and the family's concerns. This study, however, focuses on the founder's mindset, which in turn affects his transfer intention. Scholars and practitioners can get some understanding from the conceptual model based on the idea of planned behavior that has been provided. Farm transfers across generations are essential to any family's life cycle enterprise.

The study was to ascertain the founder's attitude on willingness to transfer the poultry farm to a designated successor and to identify the factors limiting intergeneration farm transfer among poultry farmer.

#### **Materials and Methods**

#### Sampling technique and sample size

The researcher carried out a random sampling in the chosen farms, there are 275 poultry farmers who are registered with the Delta State Agricultural and Rural Development Authority, especially those who are Poultry Farmers' Association members. The Agricultural Development Programme (ADP), which is currently known as the Delta State Agricultural and Rural Development Authority, divides Delta state into three agricultural zones. The proportional sampling technique was used to select the 275 registered poultry farmers from the study area.

**Table 1:** shows the respondents' distribution by agricultural zone.

<b>Agricultural Zones</b>	Population (N)	<b>Number of Poultry Farms</b>
Delta South	100	53
Delta Central	211	109
Delta North	192	113
Total	503	275

### Data gathering and the instrument

The poultry producers were surveyed and interviewed in order to get primary data. The researchers ended up with a final sample of 269 questionnaires after six were unable to be recovered. The researcher administered the research tools. Information from respondents was gathered using the interview schedule

#### **Logit Regression Model**

To test the hypothesis and in part achieve the objectives, the logistic regression model was employed to estimate the reaction of farm founders' attitude on the will to transfer ownership and socio-economic background of poultry farmers to inter-generation farm transfer

The logistic function is of the form:

$$Ln(\rho^4) = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + ui$$
  
1-\rho4

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# Logit Regression Model for factors influencing willingness to transfer ownership is specified as follows Where

 $\rho_{i} \! = \! Intergenerational$  transfer (yes =  $\rho_{1},$  no =1-  $\rho_{1})$   $\beta_{0=}$  intercept

 $\beta_1$ = regression coefficients

 $X_1$ = Attitude (positive =1 negative=0)  $X_5$  = Sex (male =0, female =1)

 $X_6$ = Age of respondents (below 60 years =0, above 60 years =1)  $X_7$  = Level of formal education (educated =1, not educated =0)  $X_8$ = Marital status (married=1, others= 0)

 $X_9$ = Household size (below 5years=0, above 5years=1)  $X_{10}$ =Farming experience (above 10 years =1. Below 10 years=0)  $X_{11}$ =Land ownership (owner=1, on lease=0) ui= Error terms

#### **Results and Discussion**

# Demographic and Socio-economic profile of Poultry Farmers

The findings showed that while 37.51% of farm owners were women, the majority were men (62.50%). This suggests that men made up the majority of Delta State's registered poultry growers which also means that it is likely to have a great influence on the attitude of poultry farmers towards intergenerational transfer as most African culture do not agree with the female counterparts succeeding a business after the demise of the owner of the farm business. Males are primarily responsible for farm succession, while

women are compensated by funding their education. According to the age distribution, the respondents' mean age was 49 years old. According to the results, the farmers are old enough to plan for intergenerational transfers before they retire.

The majority were married (70.91%) with household size of 6 persons and thus had responsibility as they have commitment towards their spouse and so possessed responsibility as they were dedicated to their husband and home. This is consistent with the findings of Abushe *et al.* (2023) [1], who claimed that the average household size in Nigeria is six people. 40.11% have at least a bachelor's degree. This supports the findings of Ikpoza *et al.* (2022) [11], who reported that the majority of farmers had some kind of schooling. It is implied that most of the respondents have only a basic education and are therefore well-versed in the fundamentals of society. One could argue that education exposes people and influences their awareness and choices about intergenerational transfer.

The mean years for farming was 15years, indicating farmers are experienced enough to guide their successors. Majority were farm owners either through inheritance or personal purchase. The implication here is that those who are sole owners of the poultry farm land have more rights that guarantee productivity and security of property and are more likely to consider inter-generational transfer than those who are on lease

Table 2: Distribution of farm founders according to demographic and socio-economic profile

Variable	Frequency (n=269)	Percentages (%)	Remarks		
Sex					
Male	185	62.50	Male		
Female	84	37.51			
Age (in years)					
20 - 30	40	11.70			
31 - 40	43	18.21			
41 - 50	110	38.41	49 years		
51 - 60	52	25.60			
> 60	13	7.11			
	Marital status				
Single	30	10.50			
Married	195	70.91	Married		
Divorced	6	3.90			
widow/widower	37	14.80			
	Level of education	n			
Primary	45	17.41			
Secondary	70	28.00			
Tertiary	tiary 120 40.11		Tertiary		
No formal education	25	16.50			
	Household size in Nu	mbers			
1 – 5	88	32.71			
6 - 10	127	47.20	6 persons		
11 – 15	34	12.60			
> 15	20	7.42			
	Farming experience in	n years			
1 - 10	83	29.00			
11 - 20	105	37.21	15 years		
21 - 30	59	26.11			
> 30	22	8.20			
	Land ownership	p			
Owner	204	70.00	Owner		
on lease	65	30.00			

**Source:** field survey 2023

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#### Willingness to Hand Over the Farm Business

The result in the table indicates that most (81.10%) respondents affirmed that they are prepared to hand over their poultry business to their heir. This suggests that the vast majority of chicken farmers are prepared to hand over ownership to a chosen successor. The findings of this study are consistent with those of Arowola *et al.* (2017) <sup>[6]</sup>, who examined how poultry farmers in southwest Nigeria perceived farm succession planning and discovered that the majority of farmers (95.9%) had a positive opinion of it.

**Table 3:** Distribution of Respondents According to Willingness to Hand Over to a Successor

Willingness to hand over	Frequency	Percentage
Yes (willing)	237	81.10
Not willing	32	11.90

Source: field survey 2023

#### **Limitations of Intergenerational Transfer**

According to the results in Table 3.3, the majority of respondents (50.20%) are facing the challenge of unwillingness of the potential inheritor to responsibility of the farm business as perceived by the farmer. The implication here is that children's low willingness which could be because they have found their own career paths and will not be willing to assume the family business making the poultry family business face a crisis at the demise or retirement of the farmer or farming household head. Few offsprings that are of the current generation do have low interest in farming and farming activities except those who studied agriculture. Ofuoku and Ugbechie (2017) [16] found that engagement of household children encouraged them to study agriculture and engage in agricultural production activities.

Table 4: Distribution of Respondents on Limitations of Intergenerational Transfer

Limitations	Frequency	Percentages%
Unwillingness of the successor as perceived by the farmer	135	50.20
Debt	41	15.20
Incompetence of the successor	37	13.80
clashes of control (from family members)	22	8.20
culture (in terms of inheritance)	25	9.30
unwillingness of the farm owner to transfer ownership	8	3.00

Source: field survey 2023

# Farm founders' attitude on Willingness to Hand Over to a Successor

The Table below shows the mean value for statements on Attitude, the result reveals that the interviewee are positively disposed and the most prominent statement are ranked to all the following statements: Inter-generation transfer helps in facing future challenges ( $x^- = 4.26$ ), Farms without inter-generation transfer is normally sold or abandoned ( $x^- = 4.24$ ).

 Table 5: Distribution of Respondents According to Founders attitude on Willingness to Transfer to Successor

s/n	Statement	Standard Deviation	Mean	Rank
1	Attitude factors- Inter-generation transfer helps in facing future challenges	0.221	4.262	1 <sup>st</sup>
2	Farms without inter-generation transfer is normally sold or abandoned	0.241	4.246	2 <sup>nd</sup>
3	It can prevent future conflict on the farm after the owner is dead	0.246	3.967	3 <sup>rd</sup>

Source: field survey 2023.

# Influence of farm founders' attitude or intergenerational transfer

Binary logistic regression analysis was used to test the hypothesis regarding farm founders' attitudes regarding their willingness to transfer farm ownership in an intergenerational transfer. The logistic regression model in the table is significant (Chi –square = 13.063, df = 4, p = 0.05), according to the model summary (table 3.5), suggesting that the variable attitude influenced intergenerational farm transfer. The model explains almost 78.9% of the variation in intergenerational farm transfer, according to the Nagelkerke R square (0.789) values.

According to the table, attitude has a statistically significant positive coefficient of 0.260 (p=0.009). The odds ratio of 0.284 indicates that readiness to transfer ownership is positively impacted by attitude. For each unit increase in disposition, the likelihood ofs willingness to transfer increases. This result corroborates with Sharma, Chrisman, Pablo, and Chua (2001) [17] and Foskey (2005) [7], without the incumbent farmer's commitment, the likelihood of securing a satisfactory succession is essentially zero.

Age, sex, education, and farming experience were among

the other characteristics that showed statistical significance. Sex has a statistically significant positive coefficient of 0.879 (p=0.050). This variable's related odds ratio is 2.409. This suggests that the likelihood of a farmer being willing to transfer increases with each unit rise in the farmer's sex (male) increases. The implication here is that most farm owners have this believe that their land properties should be transferred to their male children which make the male dominate the females in terms of transfer of farm ownership. This is consistent with (Ofuoku & Gbigbi, 2022) [15], who state that women are not entitled to inherit land in the majority of African cultures, but men do. The intention of farmers to transfer ownership is most likely to be influenced by this issue. A statistically significant (p=0.027) positive coefficient of 1.755 is shown for the variable age. This variable's related odds ratio is 5.781. This suggests that the likelihood of the farmer being willing to transfer increases with each unit rise in age, ownership increases. The implication here is that the older the farmer becomes, the more the interest in willing to transfer ownership increases.

Education has a statistically significant (p=0.038) positive

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coefficient of 0.856 and an odds ratio of 4.835 related to education, meaning that the likelihood of being willing to transfer ownership rises by roughly one unit for every unit increase in education 383.5%.

The implication here is that the decision to initiate intergenerational transfer and the degree of awareness are influenced by education. The odds ratio for farming experience is 0.608, indicating that for every unit increase in farming experience, the likelihood of intergenerational transfer will rise. The positive coefficient for farming experience is 0.491, which is significant (p=0.013). Experience, according to Hanse and Jervell (2014), fosters knowledge of agricultural operations, reasonable expectations, and the capacity to overcome obstacles.

**Table 6:** Influence of Founder's Attitude on Willingness to Hand Over and Inter-generational transfer

Variables	В	S.E	Wald	Df	Sig	Exp(B)
Attitude	0.260	0.484	6.773	1	0.009	0.284
Sex	0.879	0.497	3.124	1	0.050	2.409
Age	1.755	0.794	4.883	1	0.027	5.781
Education	0.856	0.695	3.542	1	0.038	4.835
Marital status	0.149	0.761	0.038	1	0.845	1.161
Household size	-0.395	0.496	0.633	1	0.426	0.674
Family status	0.648	0.650	0.994	1	0.319	1.911
Farming experience	0.491	0.201	6.113	1	0.013	0.608
Land ownership	0.149	0.630	0.056	1	0.813	1.160
Constant	-3.313	1.317	6.323	1	0.012	0.036
Model summary						
Nagelkerke R						
Square 0.789						
Ominibus Test of Model Coefficients						
Chi –square Df Sig			Sig			
58.218 8 0.00			0.002			

Source: field survey 2023

## Conclusion

It is impossible to overstate the significance of intergenerational transfer, regardless of the size of the poultry business; it provides opportunities for the survival and sustenance of poultry farms; high investment in poultry farming and farm type indicates a high likelihood of change; the dynamics of intergenerational transfer differ from those of older generation farmers and have implications for the sustainability of farms, (Nwachukwu et al 2023) [13]. Successors should be chosen from among the family farm labour early enough, awaiting the decision intergeneration farm transfer.

Younger members of farm family should be educated on the continual existence sustenance of the farm business, so as to arouse their interest in the farming business as well as help them to develop positive disposition and attitude towards the farming business.

The farm owner needs to impart farming skills and teach them (farm family members) by apprenticeship the intricacies of the business.

### **Conflict of Interest**

We affirm that none of the authors have any conflicts of interest.

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