

**TITLE OF THE RESEARCH: SUCCESSION MANAGEMENT PRACTICES  
AND THEIR IMPLICATIONS ON EMPLOYEE RETENTION IN PUBLIC  
SECTOR ORGANISATIONS IN KENYA**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIRMENTS FOR THE DEGREE OF MASTERS IN HUMAN  
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TANZANIA**

**2013**

**CERTIFICATON**

The undersigned certifies that he has read and here by recommends for examination a Dissertation entitled “Succession Management Practices And Their Implications On Employee Retention In Public Sector Organisations In Kenya” in partial fulfillment of the requirement for the award of the degree of Master of Business Administration of the Open University of Tanzania

.....

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Date.....

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**DECLARATION**

I, **Stephen Kibet Malakwen**, declare that this dissertation is my original work, and has not been submitted for a similar degree in any other university.

.....

Signature

.....

Date

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## **ABSTRACT**

This study aimed at empirically establishing whether succession management practices exist in public sector organizations in Kenya and the extent to which such practices had been implemented. In addition, it aimed to establish the implications such practices have on employee retention in public sector organizations. The design of the study adopted was descriptive research, and data was collected using questionnaires and interview to key informants. Both descriptive and inferential statistics were used to analyze the data. The findings show that although a number of succession management practices existed with high impetus for the same in the public sector organizations studied, there was rather low level of implementation a factor largely attributed to lack of senior management support among others. This was noticeable with the findings that there was a general low employee satisfaction level across all the three organizations and that the public sector organizations were losing their best employees to their competitors. The findings also shows that succession management practices can and do have implications on employee retention in public sector organizations. Among the recommendations is that the public sector organizations should put in place appropriate strategies to ensure that employees in the age brackets of between 26 30 and 36 – 45 years are prepared to take up senior positions that may fall vacant. The organizations should also make deliberate efforts to ensure there was an evenly distributed age structure in their management structure to avert any succession crisis arising from an aging workforce. This should be considered during the recruitment and selection exercise.

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## **CHAPTER ONE**

### **1.0 INTRODUCTION**

#### **1.1 Background to the Study**

Whereas there is evidence of unemployment in Kenya, there is an intense competition for competent, knowledgeable and talented workers both in the private and public sectors of the economy. Consequently, it is quite a challenge for organizations to keep current employees and to find qualified replacements should the current ones leave either for other organizations or through natural attrition. This new trend, currently known as “war of talent” requires organizations to put in place combat strategies in recruitment and retention of employees. This new development has made succession management topic, which has been defined as the process for identifying and developing internal people with the potential to fill key business leadership positions in an organization (Lyn, 2001) a daily debate and a concern for many organizations today. It is also the practice of building a series of feeder groups up and down the entire leadership pipeline or progression (Charan, 2005).

The significance of succession management practices is derived from the fact that it is an important element of human resource management given that, individuals identified in the plan will eventually be responsible for ensuring an organization is able to tackle future human resource challenges. The practice provides the organization with a competitive edge by providing motivated and capable group of employees that are ready to move the organization forward even as they also become part of this success story. While acknowledging the new changes in the labour market, Perry et al. (2006) argues that succession management and “war of talent” is

a wakeup call for organizations, particularly, government agencies to become more effective in attracting, retaining and motivating employees. Further to this, they argue that effective management of knowledge is a key contributor to the success of an organization.

Succession management is not new to organizations. Frankly speaking, interest on the subject, sometimes also known as knowledge management began in the 1990's as a result of organizations facing extremely unstable external environments. Most organizations attempted to manage their "knowledge assets" to ensure continuous innovation (Newell et al. 2002). This stage was followed by initial examination of knowledge management which began with a consideration of the impact of the turbulent organizational environment, and the critical nature of knowledge. In such a changing environment, organizations are expected to strike a balance between exploitation of existing knowledge and seeking new knowledge (Levinthal et al. 1993).

From the foregoing argument, the ability of an organization to attract employees with the requisite knowledge applicable within an organization and the ability to retain those key to making a contribution to knowledge capital of the organization is one of the prerequisites for the management of knowledge. Providing the employees with a clear career path, and the ability to develop within the organization may be the key to attracting and retaining this valuable resource. It has also been noted that organizational survival and growth are the most important responsibilities which can best be fulfilled by planning management succession to ensure the availability of the right number and kind of management staff at the right time and in the right position

(Pahanayak, , 2008). Being a process, succession management aims at identifying particular individuals working in the organization as possible successors for specific suitable positions.

A growing body of literature poses that succession management practices ensures organizations have trained and capable employees who can move into new roles as business changes. Unlike past studies, this study does not follow the common path of finding out what succession management can achieve for an organization or the best ways to improve it but rather focuses on how it relates to employee retention, an area that is less researched yet its contribution and impact is enormous. In terms of policy recommendation, the study aims at revealing more relevant issues on the relationship that can be solved in a more improved manner for better outcomes.

On the other hand, employee retention which relates to the efforts by which employers attempt to retain employees in their workforce plays an important role in an organization's success to the extent that it (retention) becomes the strategies rather than the outcome. In other words, it is the ability of an organization to keep its employees from leaving the organization for whatever reason except natural attrition to another competing organization. Literally speaking, employee retention is one of the goals of succession management. Therefore, it is critical that research explores succession systems from an employee perspective with a view to ensuring critical talents stay longer in an organization in support of Byham et al, (2003) who argue that organizational succession management systems is one of the approaches used to effectively deal with the future shortfalls of managerial talent.

In practical sense, Kenya's public sector organizations practice succession management through various programmes such as scheme of service, fast tracking of promotions of junior officers to avoid leadership crisis at the top when top managers retire and extensive training to equip public sector employees with requisite skills.

### **1.2 Statement of the Problem**

Having a competent, knowledgeable and well trained workforce is not enough. However, these qualities should be accompanied with good management succession practices which include identifying successors and individual careers path. Succession management plays a key role in this and also impacts greatly on an organizations future growth, competitiveness and employee retention. In appreciating the important role it plays, most of the public policy documents explicitly states the value and how it should be practiced. However, deep down into the reality, it is not known whether succession management is practiced by Kenyan public sector entities.

Additionally, while succession management practices are believed to contribute to employee retention, there have been no studies (according to my knowledge) in reference to Kenya in the context of the public sector (state owned organizations). For quite some time, one of the public sector organizations in this study, Kenya Seed Company experienced an unprecedented exit of employees to the concern of Management who indicated the need to find out what was causing the exits. One of the assumptions then was that the perceived low remuneration was the main factor occasioning this exits and responded by reviewing the terms of service for all

Management employees. However, the scenario did not change prompting the management to see the need for investigation into the factors that affect employee retention in the organization. Among these was the need to come up with policy guidelines on succession management in the company.

It is therefore important to establish whether this connection exists and further investigate its nature in order to inform human resource management strategies for effective achievement of organizations' objectives.

This research study aims to investigate the existence and extent to which succession management practices have been implemented in public sector organizations in Kenya. Of particular interest are the implications of such practices on employee retention.

### **1.3 Research Objectives**

The broad objective of this study is to establish the existence and extent to which succession management practices have been implemented in public sector organizations in Kenya. Additionally, the study will seek to establish the implications of such practices on employee retention in public sector organizations in Kenya.

#### **1.3.1 Specific objectives**

Specifically, the study will;

1. Identify succession management practices in public sector organizations in Kenya

2. Determine the extent of succession management practices in public sector organizations in Kenya
3. Analyze the implications of such practices on employee retention in public sector organizations in Kenya

#### **1.4 Research Questions**

1. What are succession management practices?
2. What is the extent of succession management practices in public sector organizations in Kenya?
3. How do succession management practices impact on employee retention in public sector organizations in Kenya?

#### **1.5 Relevance of the Research**

Most organizations aim at achieving a competitive advantage through strategic alignment of succession management practices to human resource management systems. Possible outcomes are developing and retaining high potential employees. This ultimately provides the organization with the requisite managerial talent source and competitive human resource advantage. As organizations continue to face the challenges arising from the dynamic global environment, the need for Human Resource practitioners and academicians to explore the various succession management practices suitable for organizations becomes increasingly important.

This study will contribute to the existing literature on succession management practices and employee retention in Kenya through empirical analyses of the relationship. Study findings will therefore assist public sector organizations align

their succession management policies to the best practices of succession management in order to ensure employee retention.

Researchers and scholars who wish to further their studies in this area will also find this study an invaluable tool in understanding succession management in relation to employee retention. This work will therefore form a basis for further research into the area of succession management in public sector organizations and a source of literature review.

### **1.6 Organization of the Research**

This research comprises five chapters organized as follows. Chapter one introduced the background of the research and gave a statement of the research problem and an outline of research objectives and research questions. It also highlighted the relevance of the study. Chapter two is a review of the relevant literature of the field of study including the findings by other researchers.

Chapter three explains the research design and methodology used including research strategy, data collection and analysis while chapter four provides the analysis of data collected, presentation and the interpretation. Chapter five provides the summary of findings, conclusions and recommendations.

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

#### **2.1 Overview**

This chapter reviews the relevant literature relevant to succession management and employee retention. It also defines a number of words and phrases used in the study. An evaluation of both the theoretical and empirical literature including discussion on the theories associated with succession management and employee retention, independent variables and the conceptual framework is also dealt with in this chapter.

#### **2.2 Theoretical Analysis**

A number of theories have been advanced in the area of succession management as reviewed below:

##### **2.2.1 Elliot Jacques Requisite Organization Theory**

This theory advances that an employee's potential capability is the key factor in identifying talent within a succession management strategy and is measured in the unit of time-horizon. Potential capability is seen as 'a person's highest current level of mental complexity while time horizon is an individual's length of time into the future that he can plan and work.

##### **2.2.2 Johnson & Johnson's "Folio Map"**

Under this theory, evaluation of executives on performance results, record of people development, and evaluations of potential and position accountability level produces

segmentation of organization's talent "assets" into growers, keepers, and movers. Succession management effort then concentrates on the growers and movers to ensure focus on executives with the greatest potential long-term impact on the business.

### **2.2.3 IBM's Development-Based Succession Plans**

Under this model, potential candidates are evaluated for succession based on the number and type of jobs they have held. In this scenario, a succession discussion is centered at evaluating the executives on the required development experiences, executive competencies, and individual derailment factors.

### **2.2.4 Schlumberger Limited's Development Move Opportunities**

Under the Schlumberger tool, managers nominate at least three successor candidates for each leadership position. These "ready in the future" candidates are considered for more opportunities as vacancies appear in other business units. These moves are developmental stretch opportunities across business units where business risk is deemed manageable.

### **2.2.5 Adam's Equity theory**

The equity theory advanced by Adams (1965) and presented by Spector (2008) and Herzberg's two-factor theory hold that employees seek to maintain equity between the input that they bring into a job (e.g. education, time, experience, commitment, effort) and the outcome they receive from it (e.g. promotion, recognition, increased pay) against the perceived inputs and outcomes of other employees. The theory

proposes that individuals who perceive themselves as either under-rewarded or over-rewarded will experience distress, and that this leads to efforts to restore equity within the organization. Failure to find equity, will lead to employees as Hellriegel, et al; (2008:276) put, may behave in ways that harm the organization, such as quitting. When such a scenario happens especially on high performers, the organization loses its productive talent and ultimately, the ability to gain competitive advantage.

### **2.2.6 The Seven-Pointed Star Model**

The Seven-Pointed Star Model is a famous model developed by Rothwell (2001, 2005) to achieve the systematic succession planning and management. Seven steps in this model are: Make the commitment, assess the present work/people requirements, appraise individual performance, assess the future work/people requirements, assess individual potential, close the development gap, and evaluate the succession planning and management program.

## **2.3 Empirical Analysis of Relevant Studies**

### **2.3.1 General Studies**

A common practice in succession management involves organization analysis, selection, evaluation, development of executive level talent, and inventory control (Mohamad and Mehrabain, 2011). It has been established that companies prepared for succession were less likely to experience financial difficulty during executive turnover. In addition, a strong connection between planning for succession and profitability of an organization was another finding of his research (Sambrook,

2005).

Eastman (1995) found out that effective succession management practices involves; support from the CEO and top management; ownership by line management and be supported by staff; simplicity and adapted to unique organizational needs; flexibility and link with the strategic business plan; a result of a thorough human resources review process; based upon well-developed competencies and objective of candidates; incorporation of employee input; part of the broader management development effort; inclusion of plans for development of job assignments; integration with other human resource systems; and emphasize on accountability and follow-up. Mandi (2008) found out some indicators for succession planning included: identifying new leaders; developing new leaders; delivering financial success; fostering a positive organizational culture; maintaining long-term viability; sustaining core competencies; and initiating change management.

Cheryl (2009) recommended some strategies for implementing deliberate and systemic succession plans in the academic environment via a research in higher education institutes. These strategies include: securing executive champions; aligning the succession plan to institutional culture, mission, vision and goals; taking an approach not unlike strategic planning; carefully constructing communication plans to embrace talent development without inferring entitlement; and a continuous evaluation of both the people and processes involved in succession planning.

Taylor & Mcgraw (2004) assessed usage of succession management programs in Australian-based organizations, to understand the characteristics and perceived

effectiveness of succession management programs. The study showed that half the organizations sampled had succession management programs. The programs were driven by the desire to improve business results and the need for new skill requirements in the business.

A study by Ip et al. (2006) in the United Kingdom, attempted to review business and academic literature on Business Succession Planning using an extensive literature search of business magazines, journal databases, textbooks, and relevant reports. The study covered the context in which business succession takes place which they included, psychological, legal, financial, and fiscal matters. On the methodology, they found that there is no established and reliable methodology for the entire Business Succession Planning process. Additionally, they argue that Business Succession Planning is not an individual or small-group effort but it requires continuous investment of time, resources, and support.

A slightly different study focusing on management development in Ireland by O'Connor et al. (2006), explored the usage and impact of management development processes and practices from an organizational perspective drawing upon survey and interview data with a semi-structured interviews with human resource/training managers in different organizations. In their study, they show that organizations are both concerned for their management population, see their development as a key priority and are willing to invest in them.

Moreover, organizations are experimenting with the usage of numerous developmental methods specifically, they observed both reactive and ad-hoc approaches to management development. On the factors which encourage

management development investment, they find that buy-in from senior management; business efficiency; corporate support; organization strategy; organization culture; demand from managers themselves; training awards; and competitive behaviour of organizations are some of the motivators.

According to Pennell (2010), in a most recent study in USA, flexible job descriptions are vital options that promote developmental opportunities and succession management plans especially in the library industry. This study used supportive literature from both within and outside librarianship to examine the impact of flexible job descriptions on succession management process. The focus of the paper was to address expected library management and leadership gap expected in the years ahead as current library managers from the baby boomer generation retire in record numbers. The study findings suggest that written job descriptions may limit the ability of current library managers to provide opportunities for learning and growth for those employees who will fill leadership roles in the coming years. However, more flexible job descriptions was found to provide richer, more creative learning professional and developmental opportunities for identifying high potential employees within organizations for succession planning.

A study on Succession Planning and Management Practices Among Private Sector Firms in Malaysia (Krishna Naidu S/O D. Suppiah, 2008) found out that on average, firms in Malaysia employed an effective succession planning system. Notably, 56% mostly large firms practiced formal succession planning driven by the desire for company growth and the need to improve business results.

### **2.3.2 Empirical Studies in Kenya**

Public sector organization in Kenya usually commission studies to determine the levels of employee satisfaction. Among the issues identified by such surveys as affecting the satisfaction levels of the employees is lack the management's ability to give priority to the promotion of the right internal candidates before getting people from outside (IPM/IHRM Employee Satisfaction Survey, 2007). The survey recommended that the organization put in place a system where members of staff feel they have a fair opportunity to compete with job applicants from outside. Such systems include those related to succession management.

Retention of employees in Kenya's labour market differs according to skills and the employer (public or private) among other categorizations. A study on the retention of health workers in Kenya (Ndeti & Khasakhala & Omolo, 2008) did not find succession planning practices among the major determinants of employee retention among the nurses in public health facilities in Kenya.

The study instead found out that nurses' retaining depended on salaries, access to house and car loans, availability of training opportunities, good living conditions, communications, health care and educational opportunities for themselves and their families. This study sampled a variety of health stakeholders across the country and combined a cross-sectional field survey with key informant interviews (primary data) and an analysis of secondary data from internet websites.

International Centre for Human Resources in Nursing (2010) lists major strategies the government of Kenya has been using to retain nurses in public health facilities.

These measures include financial rewards, training opportunities, post-training bonding and career progression. The strategy of career progression involved the elements of succession planning through a scheme of service that provided ‘more opportunities of promotion, academic development and professional recognition.’ The link between employee retention and succession planning practices is however not based on empirical evidence.

The practice of succession planning in the management of public service in Kenya can be traced to the independence period in which Africans were positioned to assume the roles previously accomplished by colonialists (Republic of Kenya, 2005). This was done through training of Africans for specific positions even before independence, affirmative action in the employment of Africans and mentoring at the work place. Such succession management practices were aimed at ensuring continuity of public services during the transition period of independence, and not necessarily at employee retention.

### **2.3.3 Empirical Studies in Africa**

Further afield in Africa, a study on importance of succession planning for the organization’s survival in South Africa (Erasmus, 2009) found out that most organizations were aware of succession planning practices but actual implementation was wanting. In most organizations, the pressures to reach daily targets on revenue collection were placed above succession planning; there was limited stakeholder support and clear communication; and training and counseling with respect to succession planning was not offered.

## **2.4 Review of Contribution of Succession Management Practices to Employee Retention**

The ability to attract, retain and engage talent is very important in an organization. By attracting and retaining good staff, an organization is retaining organizational knowledge which is both necessary for exploiting current capabilities and also important in contributing to future improvement. Because of this, employee retention is an important issue/subject in studying effective succession management practice (Pritchard et al., 2004).

Past studies on employee satisfaction have focused on a few issues. Some of the commonly studied issues include factors affecting employee satisfaction and reasons why employee retention is important (Abrams, 2001; Greene, 2000; Smith, 2001 and Withers, 2001). However, there have not been any attempts to link it to succession management practice despite its importance, an objective that this study aims to achieve.

According to most of the mentioned studies, employers have a need to keep employees from leaving and going to work for other companies because of the great costs associated with hiring and retraining new employees. They argue that the best way to retain employees is by providing them with job satisfaction and opportunities for advancement in their careers. Also of concern are the costs of employee turnover, including hiring costs: time spent in screening, verifying credentials, references, interviewing, hiring, and training the new employee. In addition there are the hard costs of productivity loss. Replacement costs usually are 2 ½ times the salary of the

individual, and may include lost customers, business and damaged morale (Withers, 2001). Among the elements of the High-Retention Organization include: Clear Sense of Direction and Purpose; Caring Management; Flexible Benefits and Schedule Adapted to the Needs of the Individual; Open Communication; A Charged Work Environment; Performance Management; Recognition and Reward; Training and Development among others.

Deviating from the foregoing literature which is more general, and attempting to link succession management practices to employee retention, Hammer (2000), argues that employees that are satisfied and happy in/with their jobs are more dedicated to doing a good job and taking care of customers that sustain the operation. But the happiness of the employees is enhanced if there are clear succession management practices and career progression paths that make them to be focused upon becoming the best they can be in an organization.

Employee retention has been found to be influenced by many factors. Fink (2011) found out that in school administration, teachers in Canada, the United States of America and Britain were less motivated to take up positions of leadership due to limited salary differences between teaching and school administration. He therefore concluded that retention of teaching staff in these countries depended less on succession management practices and more on reward. Employee retention is among the many reasons why organizations pursue succession management practices (Rothwell, 2001). Armstrong (2006) and Rollins (2003) support the same premise that succession planning is a tool for employee retention.

According to the *SHRM 2006 Job Satisfaction Survey Report*, the top five factors of job satisfaction are compensation/pay, benefits, job security, work/life balance and feeling safe in the workplace. The survey report also found that management succession practices are important to employees. For example, 90% said that effective management succession practices are either important or very important for employee retention. Moreover, most respondents supported the fact that effective succession management impact on employee retention most compared to other factors such as employee satisfaction, customer satisfaction and firm productivity.

According to the same study i.e. *SHRM 2006 Talent Management Survey Report*, talent management is the overarching initiative that supports organizational growth and stability and it is a top priority for 76% of organizations. Therefore, effective talent management practices create a workplace culture that makes individuals want to join, remain in the organization, aligns employees with the mission and vision of the organization, fosters an environment where employees' ideas are listened to and valued, provides current employees with adequate training to allow them to do their jobs well, and places the right people in the right jobs.

HR leaders also use talent management practices and policies to create a talent pool of internal candidates for future positions. Such practices and policies encourage career growth and developmental opportunities, empower employees to make decisions that affect their work and provide organizations with a competitive advantage by finding and retaining the best talent with the needed skills and competencies.

## **2.5 Research Gap Identified**

Succession Management/planning is essentially a tool to ensure organizational competitiveness over time through maintaining organizational leadership best practices. However, the implications or impact of these practices on employee retention is mixed, as has been seen from the literature reviewed.

## **2.6 Analytical/Conceptual Framework**

The concepts of the major research variables are examined in this section. Figure 2.1 below shows the framework that succession management (career opportunities), supervisor/manager support, working environment, rewards and work-life policies are the independent variables while the implications on employee retention is the dependent variable. The absence of appropriate succession management practices, manager support, conducive working environment, competitive reward programs and sound work-life policies can have undesirable effects on employee retention in public sector organizations.

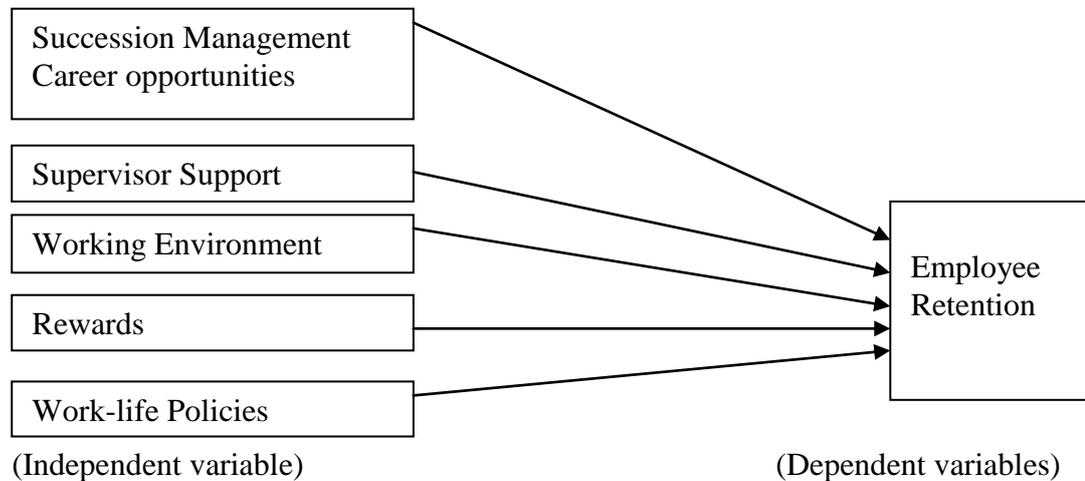
### **2.6.1 Measuring succession management practices**

To achieve this objective, the study has subjected the sampled organizations to all reviewed theories to establish whether succession management is practiced and the extent if any.

## **2.7 Theoretical Framework**

A theoretical framework has been developed to assist in the analysis of the findings on succession management practices and their possible implications on employee retention in public sector organizations in Kenya. The independent variables,

dependent variable and the anticipated outcomes is provided in the framework.



**Figure 2.1: Conceptual Framework**

**Source:** Shoaib et al (2009)

### **2.7.1 Development Assignments**

This involves the development of a number of employee development programs that ensure that high performing early talents within the organization are equipped and prepared to take up higher positions in an organization. This include such programs as flexible job descriptions as advanced by the study by Pennel (2010), and job rotation that enables employees to perform tasks across functional areas. Development assignments also enable employees gain real life exposure to the organization's overall operations and culture

### **2.7.2 Support from Senior Management**

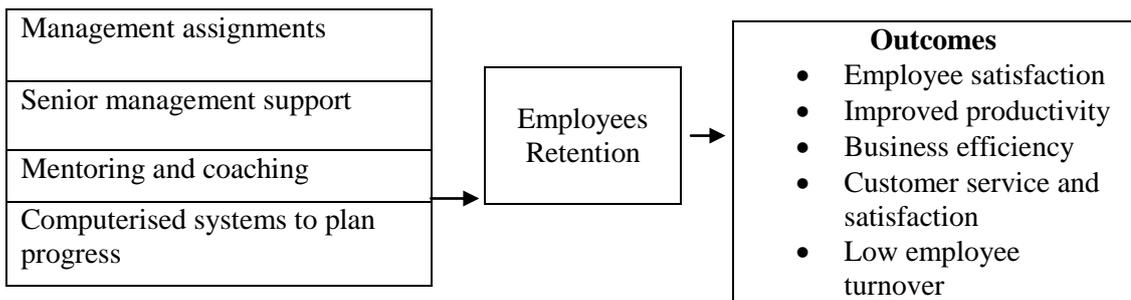
Senior management support is the willingness and commitment of top executives of an organization on the initiatives on succession management. Top management

support is a critical element if the successes of these initiatives are to be realized. O'Connor et al (2006) avers that among the factors that encourage management development investment is by-in from senior management. A similar observation was made in a survey on the satisfaction levels of employees IPM/IHRM, (2007).

**2.7.3 Mentoring and Coaching**

This is a process that requires continuous efforts to make it a part of an organization’s management practices. It involves delegation by articulating the results required, giving feedback on performance, motivating employees by giving timely recognition of efforts and guiding on behaviour and career development.

**2.7.4 Computerized Systems to Plan Progress**



Independent Variables

Dependent Variable

Outcome

**Figure 2.2: Theoretical Framework**

**Source:** Researcher (2013)

Use of information systems such as the Human Resource Management Information Systems (HRMIS) enables the organizations manage its management systems appropriately. Computerized systems also assist in planning and maintaining progress of employee’s development as indicated in Figure 2.2.

## **2.8 Statement of Hypothesis**

The study is based on the following hypothesis:

- i) Succession management practices exist in public sector organisations in Kenya.
- ii) Succession management practices have been implemented in the public sector organizations in Kenya.
- iii) Succession management practices have implications on employee retention in the public sector in Kenya.

## **CHAPTER THREE**

### **3.0 RESEARCH DESIGN AND METHODS**

#### **3.1 Overview**

In this section, the methodology for the study is examined. The design, population sample, data collection and analysis and presentation of the report is also given.

#### **3.2 Research Strategies**

Descriptive research has been adopted where both quantitative and qualitative data has been be collected. This strategy has been adopted since reliable data is gathered which describe the particular succession management practices in the sampled public sector organizations.

#### **3.3 Population**

The research study involve 70% of the total population of management staff in 3 public sector organizations in the Ministry of Agriculture in Kenya. The public sector organizations identified for this research were Kenya Seed Company, Chemelil Sugar Company and Agro Chemical Food Company.

#### **3.4 Area of the Research**

The public sector organizations chosen are located in Rift Valley and Nyanza provinces with the furthest being a distant of 180 kilometers. All Companies are state corporations within the Ministry of Agriculture and therefore have same characteristics in terms of policies and procedures. It was therefore interesting to see how they carried out their succession management practices.

### **3.5 Sampling Design and Procedures**

A stratified random sampling procedure was used to select the sample from the 70% population of management staff in each of the identified organizations. The method was chosen as it gave each respondent an equal chance of being chosen. This removed the element of bias and hence enhances the reliability of the data collected.

### **3.6 Variables and Measurement Procedures**

The variables in this study were examined on their implications on employees retention in the public sector organizations. The variables were then measured using the Likert scale. Respondents were required to indicate their responses to the statements on a scale of 1 to 5 where 1 is strongly disagree and 5 is strongly agree.

### **3.7 Methods of Data Collection**

The data instrument used to collect data in this study was questionnaires and it contained both open and closed questions. This method was chosen because it was deemed to provide data that was free of bias. Before the questionnaires were administered they were pre-tested to ensure that the questions to be posed to the respondents were well understood and therefore able to generate useful data.

### **3.8 Data Processing and Analysis**

The data collected were analyzed with the aid of Statistical Package for Social Sciences (SPSS) computer software. The findings were presented using tables, figures and graphs.

### 3.9 Sample Size and Selection

The sample size was determined on the Management staff of the three public sector organizations in the study. To determine the sample size for small populations, we use the normal approximation to the hypergeometric distribution which is stated as below:

$$n = NZ^2pq/E^2(N - 1) + Z^2pq$$

Where

n is the required sample size

N is the population size

p is the proportion of management staff who are male( 0.77)

q is the proportion of management staff who are female( 0.23)

Z is the value that specifies the level of confidence usually is 95%, for surveys in which case z is set to 1.96.

E is the degree of accuracy = 0.05

Substituting the above figures into the mentioned formula:

$$n = 525 * (1.96^2) * (0.77 * 0.23) / (0.05^2) * (525 - 1) + 1.96^2 * 0.77 * 0.23$$

$$n = 179$$

### 3.10 Sampling Design

The single stage cluster sampling procedure in which the sample used one cluster of management staff. Simple random procedures was used to pick on the respondents on these category.

### **3.11 Data Collection Techniques**

The questionnaire and interview schedules were used. Because of the target sample, the questionnaires used and administered were the same for the sampled employees of the institutions chosen. Each item in the questionnaire was aimed at addressing a specific objective. Pretested questionnaires were administered directly or mailed to respondents. Its success depended on the willingness and honesty of respondents. Interview schedules were administered to key informants from the selected state corporations. The interview schedules contained a set of questions that the respondents were asked. The interviewer explained the requirements and record replies without causing embarrassment to the respondents.

#### **3.11.1 Pilot testing**

This was a trial run of the survey instrument with a small number of preliminary respondents to evaluate and rehearse the study procedures. This exercise helped to rephrase questions which were vague, discover deficiencies and rectify the procedure of data collection and analysis before administering the instruments to the sampled population. This procedure greatly enhanced the reliability of the instruments, saved time and money.

#### **3.11.2 Validity of Instruments**

Validity is the accuracy and meaningfulness of inferences which are based on research. It is the degree to which results obtained from the analysis of data actually represent the phenomenon under study. According to Singleton *et al.* (1988), validity cannot be accessed directly and defines it as “*the congruence or goodness of fit*”

between an operational definition and the purpose it is purported to measure. In logical analysis the adequacy of the reasoning as opposed to the truth of the premises.

### **3.11.3 Reliability of Instruments**

Reliability is concerned with a question of stability and consistency. It is a measure of the degree to which a research instrument yields consistent results or data after repeated trials. To ensure reliability and of the instruments used and ultimately the data collected, pre-testing and retesting instrument was undertaken prior to data collection. The research attempted to minimize random errors that may have arose from inaccurate coding, ambiguity, interviewer and interviewee fatigue and biases through rechecking and confirming the data and direct administering interviews with sampled respondents.

### **3.12 Data Analysis and Presentation**

The research used both descriptive and inferential statistics. The descriptive statistics is concerned with organizing and summarizing the data at hand to make it more intelligible (Singleton *et al.*, 1988). Bogdan and Biklen (1992) define data analysis as the process of systematically searching and arranging field findings for presentation. Statistical Package of Social Sciences (SPSS) software was be used to analyse qualitative data whereas tables and charts with frequencies and percentages were generated and critical analysis and description of the outcome made accordingly. It involved working with data, organizing, breaking into manageable units, synthesizing, searching for patterns, discovering what's important and deciding what to tell others. Inferential statistics was used to generalize and draw inferences from

the sample data to the entire study area. Organized and coded data was used for cross tabulations to generate frequency distribution tables, graphs and percentages. Gay (1976) points out that the most commonly used methods of reporting descriptive survey research is by developing frequency distributions, calculating percentages and tabulating them appropriately.

### **3.13 Ethical Issues in Research**

In this research, all the research ethics and logical considerations were observed in carrying out this research study. Ethics has been defined as that branch of Philosophy which deals with one's conduct and serves as a guide to one's behaviour (Kovacs, 1985 as cited in Mugenda and Mugenda, 1999). There are three broad areas of ethical concern in scientific research: the ethics of data collection and analysis, the ethics of responsibility to the society, and the ethics of treatment of participants. (Reese and Fremouw, 1984 as cited in Singleton *et al.*, 1988). This research study observed and undertook all the ethical issues by ensuring respect for the respondents and assuring and keeping confidentiality of the information gathered.

## **CHAPTER FOUR**

### **4.0 FINDINGS/RESULTS AND DISCUSSION**

#### **4.1 Introduction**

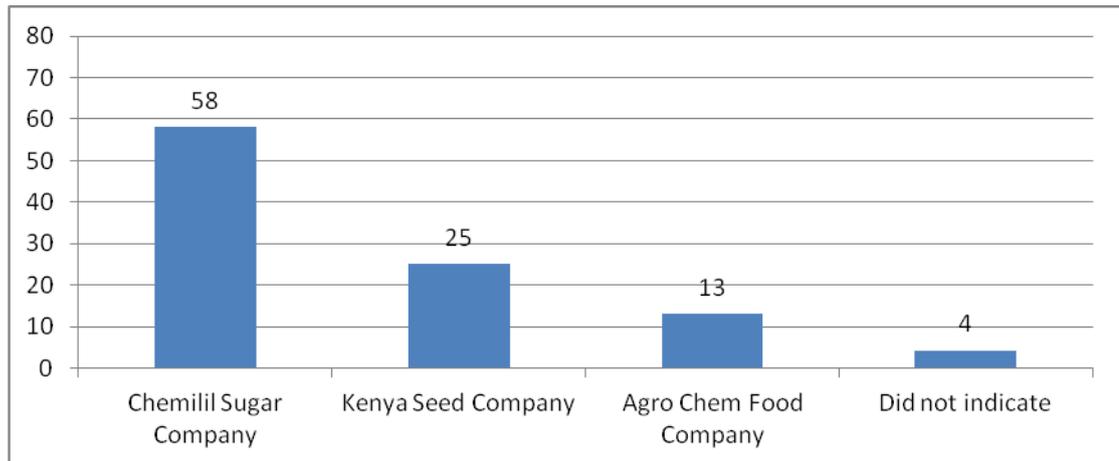
This chapter explains how the data has been analyzed and the findings. Descriptive statistics has largely been used to summarize the data. The findings are presented in sections that cover the demographic profile of the respondents and the companies that were studied, succession management practices that are broken down into the actual practices, succession strategies and individual satisfaction. The findings on the factors that have been identified to affect retention of employees in organization have also been covered.

#### **4.2 Respondents Profile**

The profile of the respondents has been analyzed based on the number of respondents from each company on the basis of gender, age, and years of service; education level and marital status. Analysis and presentation of the profile has been done at the overall level and also a breakdown indicating the splits of the companies that were selected for the study.

#### **4.3 Number of Respondents and Response Rate**

There was a total of 182 respondents to this study representing a response rate of 86.7%. This remarkably high response is an indication of the success of the study. This is provided as percentages based on each of the state organization studied as indicated in Figure 4.1.



**Figure 4.1: Number of Respondents as a %**

**Source:** Researcher (2013)

As indicated in Figure 4.1, 58% of the respondents were from Chemilil Sugar Company, followed by Kenya Seed Company (25%) and Agro Chem Food Company (13%). 4% of the respondents did not indicate the organization that they work for.

#### 4.4 Analysis Based on Gender

**Table 4.1 – Gender Split (%)**

Gender	Agro Chem Food Company	Chemilil Sugar Company	Kenya Seed Company	Total
Female	26	21	43	28
Male	74	79	57	72
Total	100	100	100	100

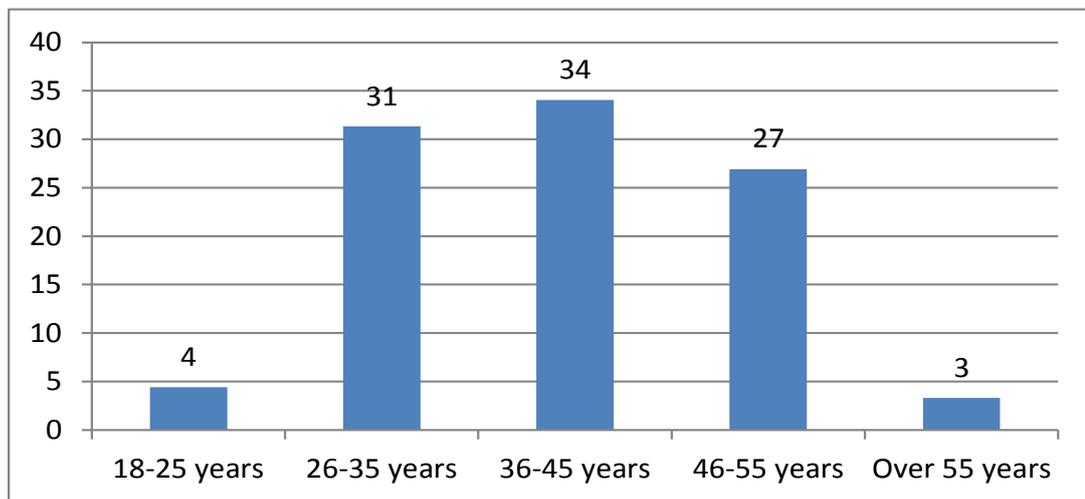
**Source:** Researcher (2013)

In regard to gender, overall, almost a third of the respondents (28%) that indicated their gender were female while the rest (72%) were male. This high number of male respondents reflects the fact that the industry in which these companies operate is a

labor intensive industry that has traditionally and ordinarily attracted the male gender. As indicated in Table 4.1, the high number of male respondents was reflected in all the companies save for the Kenya Seed where the gap between the male and female appears to narrow.

#### 4.5 Analysis Based on Age

Overall, majority (92%) of the respondents were in the middle age categories as indicated in Figure 4.2. 4% of the respondents were aged between 18-25 years; 31% between 26-35 years, 34% at between 36-45 years; 27% at between 46-55 years. Only 3 percent were above 55 years.



**Figure 4.2 – Age Structure as (%)**

**Source:** Researcher (2013)

However, as indicated in Table 4.2, the trend in the various proportions for the different age groups varied in all the companies that were studied. For instance, Kenya Seed company had 47% of the respondents aged between 26-35 years old; Agro Chem had 58% of the respondents aged between 46-55 years old. However

Chemelil had her respondents structure similar to the overall structure.

**Table 4.2 – Age Structure (%)**

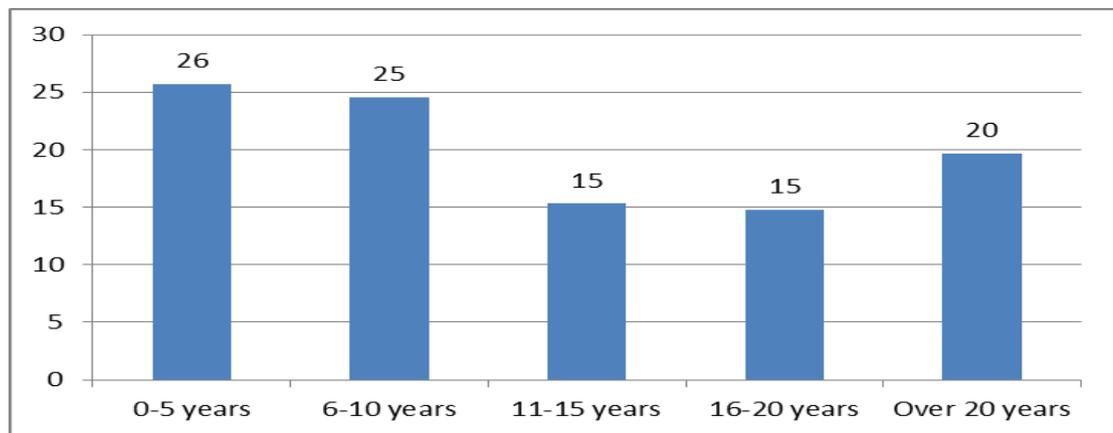
<b>Age of respondent</b>	<b>Agro Chem Food Company</b>	<b>Chemelil Sugar Company</b>	<b>Kenya Seed Company</b>	<b>Total</b>
18-25 years	0	1	16	4
26-35 years	21	25	47	31
36-45 years	21	38	29	34
46-55 years	58	30	9	27
Over 55 years	0	6	0	3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Source:** Researcher (2013)

Based on this analysis, it can be concluded that Agro Chemical Food Company has large number of management staff advancing towards the retirement age bracket of 60 and 65 years under the current Kenyan laws. This is likely to pose a succession problem in the near future if strategies are not put in place to build talent at the younger age groups in the organization. In Chemelil Sugar Company, the age structure is fairly distributed indicating that the company may not experience any succession challenge arising age. Kenya Seed Company appears to have a relatively higher concentration of management staff distributed at the lower age brackets of 18-25; 26-35 and 36-45 years. This means that the Company as is the case with Chemelil Sugar company would not in the foreseeable future holding all other factors constant (natural attrition, resignation etc) experience any succession challenges posed by an aging management structure.

#### 4.6 Years of Service

The study also sought to establish how long the respondents had worked with the companies that they were employed in. Overall, over a quarter (26%) of the respondents indicated that they had worked for their organizations for a period of less than 5 years; a quarter (25%) for a period of 6-10 years; 15% each for a period of between 11-15 years and 16-20 years. One out of every five respondents indicated that they had worked for over 20 years for their organizations. These are indicated in Figure. 4.3.



**Figure 4.3: Duration of Service (%)**

**Source:** Researcher (2013)

An analysis based on the various organizations that were studied indicated that majority (66%) of the respondents had worked for a period of less than 15 years (Table 4.3). The same trend was observed for each of the companies studied with Kenya Seed Company at 87%, Agro Chemical at 50% and Chemilil Sugar at 59% for the duration of less than 15 years. However, had the highest percentage for those who had worked for over 20 years at 38%, Kenya Seed Company 9% in this category while Chemelil Sugar Company had a relatively an even spread across the years.

This analysis appears to corroborate the conclusion made in section 4.5 above on age that a succession crisis is imminent in Agro Chemical if appropriate succession management strategies are not put in place. For Kenya Seed company the high percentage of management staff with less than 5 years of service should be a cause of concern to the Management due to the nature of business of the company (breeding of crop varieties which takes a longer period). This appears to support Elliot Jacques Requisite organization theory that *an employee's potential capability is the key factor in identifying talent within a succession management strategy and is measured in the unit of time-horizon* where an individual's length of time into the future enables him to plan and work.

**Table 4.3: Duration of Service (%)**

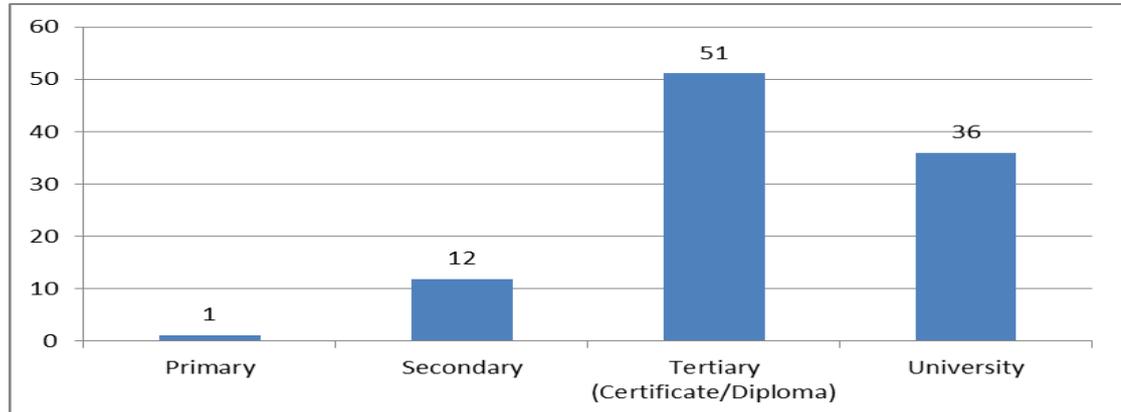
Duration with organization	Agro Chem Food Company	Chemelil Sugar Company	Kenya Seed Company	Total
0-5 years	25	12	58	26
6-10 years	21	26	22	25
11-15 years	4	21	7	15
16-20 years	13	19	4	15
Over 20 years	38	22	9	20
Total	100	100	100	100

**Source:** Researcher (2013)4.7 Education Level

In regard to education level, overall, majority (87%) of the respondents indicated that their education level status is above tertiary level as indicated in Figure 4.4.

Across the organizations studied, it was noted that over half of the respondents had achieved a university education level status in Kenya Seed Company (62%) and Agro Chemical (57%). Chemelil Sugar Company had the highest (64%) of its

respondents with a Tertiary (certificate/diploma) level of education.



**Figure 4.4: Level of Education (%)**

**Source:** Researcher (2013)

**Table 4.4: Highest Education Level (%)**

Highest Education Level	Agro Chem Food Company	Chemelil Sugar Company	Kenya Seed Company	Total
Primary	4	1	0	1
Secondary	13	16	4	12
Tertiary (certificate/diploma)	26	64	34	51
University	57	19	62	36
Total	100	100	100	100

**Source:** Researcher (2013)

From the analysis, it can be concluded that the organizations studied have a generally qualified management staff with the majority having attained university education and a substantial number having tertiary qualification. This being the case, the need to ensure that appropriate strategies to ensure retention cannot be overemphasized. The fact that a large percentage of the respondents indicated that they had acquired tertiary and university qualifications indicates that there adequate

talents and in line with the Johnson & Johnson's Folio Map theory, succession management efforts should be directed at the growers and movers with a focus on those with the greatest potential. Table 4.4 indicates details of the various academic levels achieved in the various organizations.

#### **4.7 Marital Status**

The other aspect that was covered under the profile of respondents was marital status. As indicated in Table 4.5, eight out of every ten respondents indicated that they are married. This high proportion of married respondents was noted across all the three companies studied with the highest percentage recorded being at the Agro Chemical Food Company with 87% of the respondents indicating that they were married followed by Chemelil Sugar Company with 84% and Kenya Seed Company at 65%. A third (33%) of the respondents Kenya Seed indicated that they are single. This is in line with the high proportion of the respondents who indicated that they are young.

The high percentage of married workforce within the management structure can be an indication that the management staff are likely to remain longer in their organizations due to the family responsibilities and the hassle of relocations. However, the companies risk losing the management staff who are currently single and are free to move on should they feel their career aspirations are not met. While this was not the mandate of this research, it is recommended that future study should try to find out if there is a relationship between an employee's marital status and the duration of service in the organization.

**Table 4.5: Marital Status**

Marital Status	Agro Chem Food Company	Chemilil Sugar Company	Kenya Seed Company	Total
Married	87	84	65	80
Single	9	14	33	18
Widowed	4	0	0	1
Divorced/Separated	0	1	2	1
Living together	0	1	0	1
Total	100	100	100	100

**Source: Researcher (2013)**

#### **4.8 Succession Management**

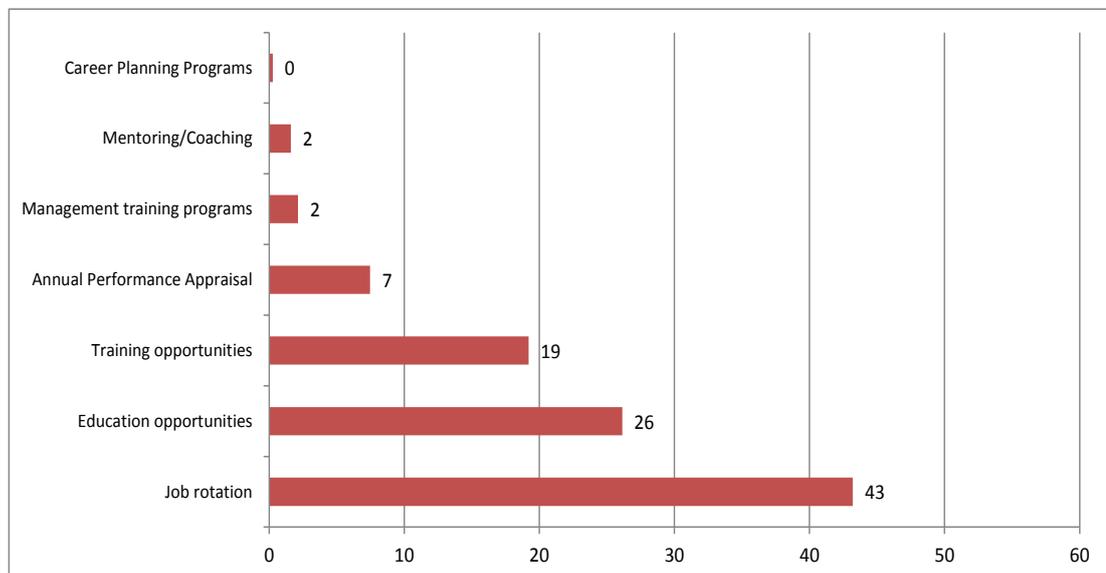
One of the objectives of this research was to establish the succession management practices in the various institutions that were studied. Succession management was broken down into the actual practices, succession strategies and individual satisfaction of the respondents of the strategies used.

##### **4.8.1 Succession Management Practices**

Organizations use different practices to assist in the succession management process in their organizations. The study had sought to find out the various practices that the companies that were studied used. Respondents were given a choice to indicate the practices that their companies used. The results are indicated in Figure 4.5.

Based on the frequency, job rotation was mostly used by the organizations at 43% followed by the provision of education opportunities (26%); training opportunities (19%); annual performance appraisals (7%); Management training programs and

mentoring and coaching had a frequency of (2%) each. None of the respondents indicated that their organizations had career planning programs.



**Figure 4.5: Succession Management Practices**

**Source:** Researcher (2013)

The high frequency rate by the respondents who indicated that their organizations used job rotation as a succession management practice concurs with IBM's Development-Based Succession Plans theory that candidates are evaluated based on the number of number and type of jobs they have held. The indication that the succession management practices shown in Figure 4.5 above exist in the public sector organizations appears to agree with the study on management development in Ireland by O'Connor et al (2006) that organizations are both concerned for their management population, see their development as a key priority and are willing to in them. In the same breath, the public sector organizations concur with the O'Connor work which further noted that the organizations were experimenting with the usage

of numerous developmental methods both reactive and ad-hoc approaches. exist  
existence of the

#### **4.8.2 Succession Management Strategies**

Respondents were asked to indicate the extent to which they agreed with various statements related to succession management strategies in their organizations. This was measured by way of a five-point Likert scale, where respondents were then asked to indicate the extent to which the various statements applied to succession management in their specific organizations. These were from the top extreme end of *strongly agree* that was assigned a score of 5 followed by *agree* (4), *neither* (3), *disagree* (2) and the bottom end of *strongly disagree* with a score of 1. The findings have been analyzed and explained by mean scores out of a maximum of five. Mean scores of less than 2.5 indicate that the respondents agreed that the aspect/ factor is applicable to their organization to a small extent; mean scores of between 2.6 and 3.4 have been taken to mean that the aspect/factor to a moderate extent is applicable; and mean scores of between 3.5 and 5 is applicable to a large extent. The findings are indicated in Table 4.6.

From the analysis, there is no aspect that was indicated to be used to a large extent by the various organizations. Three out of five aspects were indicated to be moderately used while the remaining two were indicated to be used to a small extent. Suffice to say however, managers/supervisors effectively communicated with their employees on matters affecting staff was however rated the highest with a mean score of 3.29 out of 5 followed by the aspect where employees are given

opportunities to be part of task groups and assignments outside their core responsibilities at 2.86. Employees in the Company are empowered to take responsibility and authority scored a mean of 2.75.

**Table 4.6: Succession Strategies (%)**

Statement		Mean score out of 5			
		Agro Chem Food Company	Chemelil Sugar Company	Kenya Seed Company	Total
a)	Managers/supervisors effectively communicate with employees on matters affecting staff	3.38	3.69	3.37	3.29
b)	Employees are given opportunities to be part of task groups and assignments outside their core responsibilities	3.04	3.28	3.61	2.86
c)	Employees in the Company are empowered to take responsibility and authority	3.13	3.17	3.33	2.75
d)	Managers/supervisors in the company discuss with employees their development plans	2.61	3.03	2.66	2.43
e)	The company has a career development program for employees	2.52	2.61	2.81	2.00

**Source:** Researcher (2013)

The aspect that was scored lowest was that the of *Company has a career development program for employees* at a mean score of 2.00 out of 5. This appears to agree with the observation in Figure 6 above on career planning programs as succession management practice which had a frequency of zero. It is however evident that the public organizations though not faring well in use of the succession management strategies, one of the aspects used by the organizations, (*Employees are*

given opportunities to be part of task groups and assignments outside their core responsibilities), suggests use of flexible work arrangement and thus supports the study by Pennell (2010) that advanced the view that flexible job descriptions were a vital option that promote developmental opportunities and succession management plans.

### 4.8.3 Individual Satisfaction

**Table 4.7: Individual Satisfaction (%)**

	Statement	Mean score out of 5			
		Agro Chem Food Company	Chemelil Sugar Company	Kenya Seed Company	Grand Total
a)	Established career progression	3.29	2.84	2.00	2.72
b)	Availability of promotion opportunities	3.21	2.45	2.53	2.62
c)	Quality of supervision of I get in my job	2.54	2.70	1.74	2.43
d)	Opportunities for personal growth	2.17	2.41	1.98	2.31
e)	Opportunities to learn new things from my job	2.08	2.04	1.35	1.91
f)	Amount of challenge from my job	1.83	1.81	1.58	1.74
g)	My job security	1.17	1.68	1.34	1.55
h)	Amount of independence I exercise in my job	1.79	1.53	0.84	1.42
i)	Support and guidance from my supervisor/manager	1.52	1.32	0.98	1.21

**Source:** Researcher (2013)

The respondents were also asked to indicate the extent to which they were satisfied with various aspects related to their jobs. Like in the preceding section, this was measured in way of a five-point Likert scale, where respondents were asked to indicate the extent to which the various statements applied to them. These were from

the top extreme end of *Very Satisfied* that was assigned a score of 5 followed by *somewhat satisfied* with a score of 4, *neither* with a score of 3, *somewhat dissatisfied* with a score 2 and the bottom end of *very dissatisfied* with a score of 1.

The findings have been analyzed and explained by mean scores out of a maximum of five. Mean scores of less than 2.5 indicate that the respondents were somewhat dissatisfied with the aspect/ factor in their organization; mean scores of between 2.6 and 3.4 have been interpreted to mean that the respondents were somewhat satisfied with the aspect/factor; and mean scores of between 3.5 and 5 indicate that the respondents were very satisfied. The findings are indicated in Table 4.7.

The Table 4.7 indicate that there were only two aspects that the respondents indicated that they were somewhat satisfied within their organizations and that is, *established career progression* and *availability of promotion opportunities* at mean scores of 2.72 and 2.62 respectively. The respondents indicated they were somewhat dissatisfied with the rest of the aspects.

Whereas only two aspects scored fairly, the general score point to a depressed satisfaction level across all the companies. It is worth noting that an individual's satisfaction level in an organization determines the commitments one can have in that particular organization, duration and ultimately the talent pool available for succession. The findings agree with that of Adam's equity theory and presented by Spector (2008) and Herzberg's two-factor theory as examined in 2.2.5 above. The need for the public organizations in this study to put concerted efforts in ensuring strategies are put in place to enhance the satisfaction levels in all the aspects tested

cannot be overstated.

#### 4.8.4 Other Human Resource Aspects

The study also sought to find out if the companies surveyed experienced and or practiced other human resource aspects as indicated in Table 4.8. The respondents were supposed to either answer yes or no and the findings are as tabulated below.

**Table 4.8: Other HR Aspects (%)**

	<b>Statement</b>	<b>Agro Chem Food Company</b>	<b>Chemelil Sugar Company</b>	<b>Kenya Seed Company</b>	<b>Total</b>
a)	Is your organization losing some of its best employees to your competitors	100	91	49	80
b)	Does the Company experience high employee turnover?	87	81	41	71
c)	Does the company consider existing qualified staff when filling any vacant positions?	40	80	51	68
d)	Does the company have a strategy /plan/policy for career advancement for employees?	27	46	38	41
e)	Is there a succession management system in place?	30	46	35	39

**Source: Researcher (2013)**

Overall, the results indicated that the organizations were losing some of its best employees to competitors (80%); followed by high turnover (71%) and consideration of existing staff for the current staff to fill vacant positions (68). Existence of a strategy for career progression and existence of a success management system scored low at 41% and 39% respectively.

The fact that the strategy or policy for career advancement for employees and succession management system indicators scored very low in the three organizations could be a major reason for the high employee turnover through loss of best employees to competitors. Again, this proposition compares well with Hellriegel et al; (2008:276). These findings indicate lack of appropriate succession management systems and career strategy or plan for employees can have implications on employee retention.

The respondents were asked to indicate the period through which the system of considering existing staff when filling vacant positions has been existing. Table 4.9 indicates how the respondents from the different companies responded. From the responses it can be concluded that save for Agro Chemical, the system of considering existing staff when filling vacant positions is a recent phenomena having been practiced mainly in the last 10 years by the companies. The high percentage of 64% in Agro Chemical under the over 20 years category supports the earlier observation that the company has an aging management structure.

**Table 4.9: Considering Existing Staff for Promotion (%)**

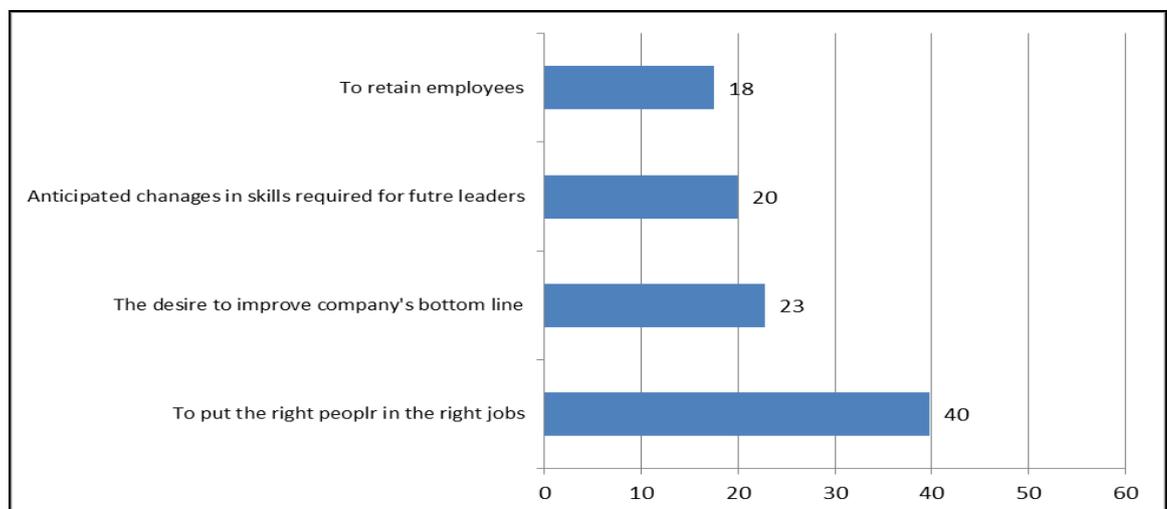
	<b>Number of years</b>	<b>Agro Chem Food Company</b>	<b>Chemelil Sugar Company</b>	<b>Kenya Seed Company</b>	<b>Grand Total</b>
a)	Less than 5 years	7	24	63	33
b)	6-10 years	14	7	19	10
c)	11-15 years	0	15	0	10
d)	16 -20 years	14	10	0	8
e)	Over 20 years	64	43	19	39
	Total	100	100	100	100

**Source:** Researcher (2013)

#### 4.8.5 Motivation for Succession Management Practice

In this section, the respondents were also asked to indicate the factors that motivate their organizations to establish good succession management system. The results are indicated in Figure 4.6. From the analysis, the main motivation for successful management practices is the fact that organizations want to put the right people in the right jobs. This represented a frequency mention of 40%. This was followed by the desire to improve the company's bottom line (23%), anticipated changes in skills required for future leaders at 20% and retention of employees at 18%.

The findings appear to agree with the various writers whose works have been extensively reviewed in the literature review section. The study by Erasmus (2009) for instance found out that while most organizations were aware of succession management practices, actual implementation was wanting and that other considerations such as attainment of daily targets on revenue collection took priority.



**Figure 4.6: Motivation for Establishment of a Succession Management Practice (%)**

**Source:** Researcher (2013)

#### 4.8.6 Common Approaches Used in Succession Management

Under this part, the study sought to establish the common approaches that the three organizations surveyed used in their succession management. The response showed that the most frequently indicated was Development assignments as part of succession with 34%, followed by visible support from senior management and Mentoring / Coaching at 28% each. Use of computerized system had a frequency of 10%.

**Table 4.10: Approaches to Succession Management (%)**

	<b>Approaches of succession management</b>	<b>Common practices</b>	<b>Most valuable practice to the Company</b>
a	Development assignments part of succession	34	43
b	Visible support from senior management	28	26
c	Mentoring / Coaching	28	19
d	Computerized system to plan progress	10	12
	Total	100	100

**Source:** Researcher (2013)

In terms of which method which was being more valuable, the ratings again followed the same order as indicated in Table 4.10. These were development assignments as part of succession (43%); followed by visible support from senior management (26%); Mentoring / Coaching at 19% each. Use of computerized system had a frequency of 12%. As O'Connor et al (2005) found out in his study on management development in Ireland, buy-in from senior management among other

factors which encourage management development investment in organizations. Although the findings of the study recognized the importance of this factor as among the common practices, it received a lower percentage rating from the organizations studied.

#### **4.8.7 Identification of Candidates for Succession Management**

From the survey, the organizations use various methods to identify candidates for succession management. The findings are indicated in Table 4.11.

**Table 4.11: Methods of Identifying Candidates for Succession**

	<b>Method</b>	<b>Percentage</b>
a	Data on performance appraisals	34
b	Recommendation analysis of work samples/outputs	31
c	Ability, personality and psychological tests	20
d	Role play/job rotation	14
	Total	100

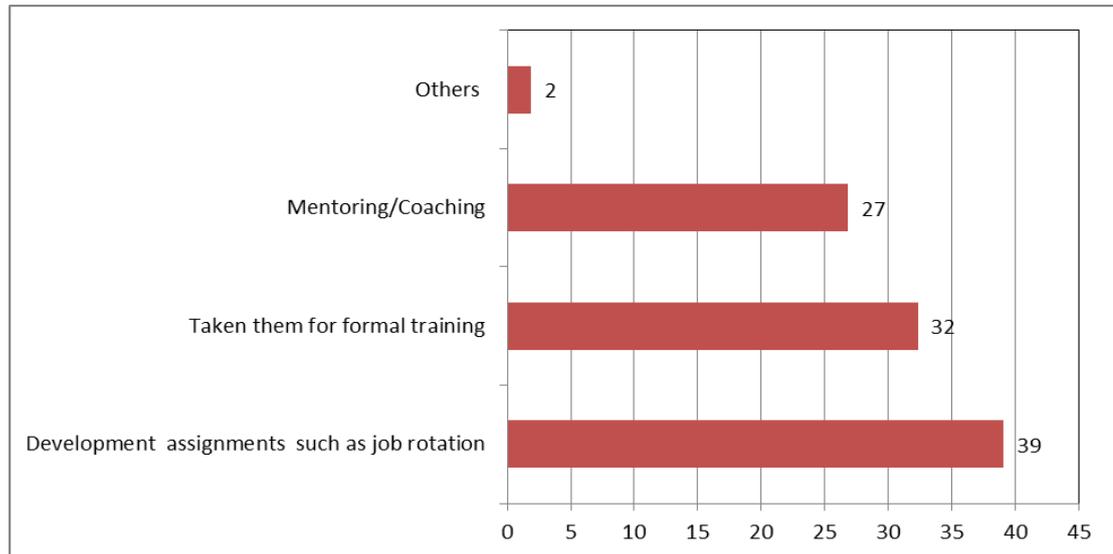
**Source: Researcher (2013)**

Data on performance appraisals was mostly used having been indicated by the majority of the respondents at 34% followed closely by recommendation analysis of work samples/outputs (31%); Ability, personality and psychological tests (20%) and Role play/job rotation (14%).

#### **4.8.8 Development of Identified Candidate**

The three companies used different methods to develop the candidates that have been identified for succession management as indicated in Figure 4.7. From the figure it can be seen that although all the methods are used, the development

assignments such as job rotation is frequently used at 39% followed by formal training (32%) and mentoring/coaching (27%). This could be as a result of more emphasis on the need to have multi-skilled management talent who are able to perform various tasks in the organization.



**Figure 4.7: Methods of Developing Identified Candidates**

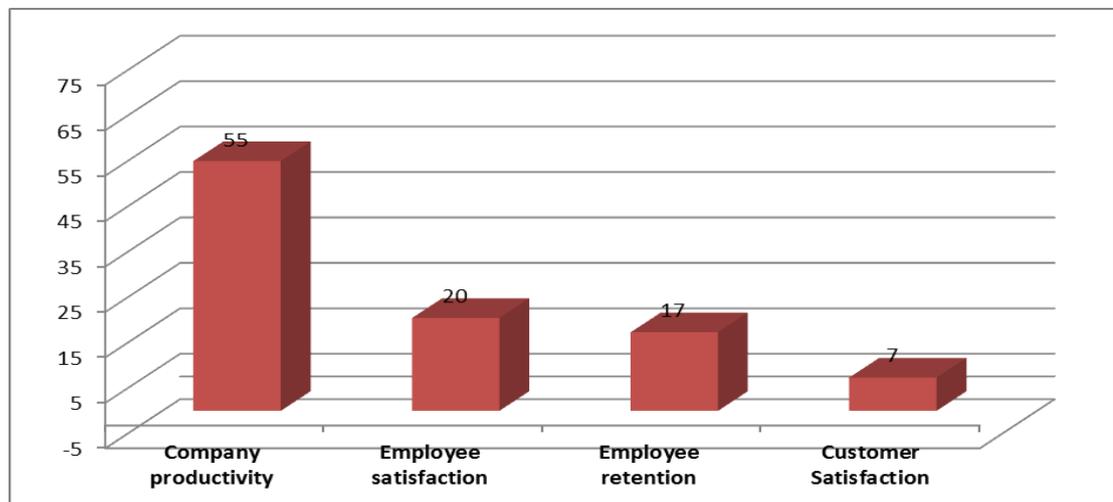
**Source:** Researcher (2013)

#### 4.8.9 Impact of Succession Management

The respondents were asked to indicate the aspects that are mostly impacted with by an effective succession management. Figure 4.8 shows how each item was rated. Company productivity received the highest ratings of 55% followed by increased employee satisfaction at 20%, employee retention at 17% and customer satisfaction at 7%.

From the above, it is imperative to conclude that succession management can have a major impact on the company productivity. These findings compared well with the work of Strategic Human Resource Management 2000 Job Satisfaction Survey

Report which among other things found out that effective succession management had impact on employee retention, employee satisfaction, customer satisfaction and firm productivity.



**Figure 4.8: Impact of Effective Succession Management (%)**

**Source:** Researcher (2013)

#### 4.8.10 Employee Retention

Among the objectives of this research was to establish the implications of succession management practices on employee retention in public sector organizations in Kenya. The research identified a number of factors that affect retention in organizations and respondents were then asked to indicate the extent to which the factors affected their retention in their organizations. This was measured in way of a four-point Likert scale, where respondents were asked to indicate the extent to which the various factors expressed as statements affected their retention in the organizations that they worked for. These were from the top extreme end of *very important* that was assigned a score of 4 followed by *important score of 3*, *neutral score of 2*, and *not important score of 1*.

The findings were analyzed and explained by mean scores out of a maximum of four. Mean scores of less than 2.5 indicate that the respondents agreed that the aspect/ factor is important to their organization to a small extent; mean scores of between 2.6 and 3.4 was interpreted to mean that the aspect/factor to a moderate extent important; and mean scores of between 3.5 and 4 to a large extent. Results are indicated in Table 4.12 provided as Appendix i.

Overall, it can be noted that out of the twenty three factors covered, 7 of these representing 30% had respondents indicating that they agreed to a large extent (mean score above 3.5 out of 4) that the factors were important in influencing their retention in their organizations. The remaining 15 factors representing 70% had respondents indicating that they agreed to a moderate extent (score above 2.6 out 4) that the factors were important in influencing their retention in their organizations. Overall, the factors had a rating of over 65% and above an indication that these factor a key in determining the continued stay of an employee in any organization.

These findings concur with various studies that have been extensively reviewed in this research. For instance, studies by Abrams, Greene, Smith and Withers (Abrams, 2001; Greene, 2000; Smith, 2001 and Withers, 2001) on factors affecting employee satisfaction and reasons why employee retention is important. Also in agreement with these findings is the work of Harmer (2000) who among other things concluded that *“happiness of the employees is enhanced if there are clear succession management practices and career progression paths that make them to be focused upon becoming the best they can be in an organization”*.

## **CHAPTER FIVE**

### **5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter covers discussions on the findings of the study, conclusion and recommendations. Suggestions for further research have also been included. The discussions include the views in the literature review part and also the experiences gained from the research.

#### **5.2 Summary of Findings**

The summary of the findings of this study based on the specific objectives is provided in the ensuing manner:-

##### **i) Succession management practices in Public Sector organizations in Kenya**

A number of succession management practices were identified to exist in the public sector organizations in Kenya. These include such practices as use of job rotation, provision of education opportunities, training opportunities/management development programs, career panning, mentoring and coaching, and use of annual performance appraisals. Most companies have also adopted some of the common approaches in succession management such as development of assignment, visible support from senior management among others.

##### **ii) Extent of Succession Management Practices in Public Sector Organizations in Kenya**

Although the findings indicated the existence of succession management practices as indicated above, the extent to which the succession management practices were used

in the public sector organizations was noted to be low. This could be attributed largely to the lack of top management support. However, there was a demonstrated effort although at a low level, to use some of the succession methods of developing identified candidates such as such as job rotation, formal training and mentoring and coaching.

### **iii) Impact of Succession Management Practices on Employee Retention**

The findings shows that succession management practices can greatly impact on the ability of an organisation to retain its key competent employees. This was affirmed by the fact that most respondents indicated that their organizations were losing some of their best employees to competitors and that they also experienced high employee turnover. Succession management was found to influence employee retention in the organisations studied.

The findings also indicated that among the impact of effective succession management was desire to attain company productivity, employee satisfaction, employee retention and customer satisfaction.

## **5.2 Conclusion**

A number of the conclusions can be drawn from the findings of this study. First, it is apparent that succession management practices indeed exist in the public sector organizations. However, the extent to which the practices are used was very low. The only noticeably used succession management practice was job rotation which had a frequency rating of 43%. Education opportunities had a rating of 26%, training opportunities had 19%. The rest of the practices had ratings below 10% with career

planning programs posting nil. The low scores in generally all the succession management practices is an indication that public service organizations are yet to put in place and implement effective succession management practices.

Secondly, the use of succession management strategies indicate a general perception that the public sector organizations have not adequately utilized the strategies. The only strategy that appeared to be used was that of flexible work arrangements where employees were given opportunities to be part of the task groups and assignments out of their core responsibilities which is a deviation from the traditional “straight jacket” job description approach. For succession management system to be seen to meet the organization’s objectives, the strategies should be fully utilized as much as is practicable.

Thirdly, there was a noticeably generally low level of employee satisfaction across all the organizations a factor that can be attributed to the inability of the organizations to address the job related aspects shown in Table 4.7. This trend if not checked would lead to a situation where according to Adam’ equity theory, *individuals who perceive themselves as either under-rewarded or over-rewarded will experience distress, which leads to efforts to restore equity within the organisation.* In addition, if the individual fail to find equity he may behave in ways that harm the organisation such as quitting (Hellriegel et al; 2008:276).

The other conclusion that can be drawn is that public sector organizations were losing some of the best employees to their competitors. This contributed to the high employee turnover a factor that can be attributed to the absence of appropriate

strategies or plans for career advancement for employees and a sound succession management system.

The organizations were motivated by the desire to put the right people in the right jobs, and improve the companies' bottom line (profitability). To retain employees and to meet anticipated changes in skills required for future leaders were less desired. As noted from the study however, *companies prepared for succession were less likely to experience financial difficulty during executive turnover and that there was a strong connection between planning for succession and profitability of an organisation (Sambrook, 2005).*

Despite the fact that senior management support for succession management system was recognized as key, there was a generally low level support across the public sector organizations. This characteristic was likely to affect the full actualization of the system in general.

There was a general indication that various methods such as result of performance appraisals, recommendations, personal ability, personality and psychological tests and role play/job rotation were being utilized by the organizations to identify candidates for succession. However, the degree of usage varied a trend that can affect the desired results of the exercise. Candidates identified for succession management within the organizations were taken through various developmental methods which included job rotation, formal training, and mentoring/coaching. These methods were found to be widely used in the three organizations.

When appropriately implemented, an effective succession management system can lead to increased employee satisfaction, employee retention, customer satisfaction and the general organizational productivity. This ultimately leads to improvement of an organization's productivity.

The ability of an organization to retain its employees is dependent on a number of factors. Key among these are the quality of relationship with supervisor/manager, compensation packages/level of salary, level of trust in the work place, opportunity for growth and advancement, benefit plans available, clear understanding of work objectives and level of co-operation with co-workers. There was a general understanding through the research findings and the related literature reviewed that succession management practices exist within the public sector organizations albeit the breadth in which they have been implemented. The practices can and indeed have implications on employee retention in the public sector organizations.

The other factors whose findings have been noted in the study are also which may have implication on succession management of an organization are the age structure, length of service in the organization and level of education of the employees. There was a generally significant findings in all these factors.

### **5.3 Recommendations**

The premise of this research was that a knowledgeable and well trained workforce was not the in-think in the contemporary corporate world but rather, an established existence of appropriate succession management practices that verifies any correlation with employee retention. Arising from the findings of this research and

the conclusions confirming that indeed there is existence of the succession management practices in the public sector organizations the following are the recommendations offered for consideration:-

1. Public sector organizations should direct their succession management efforts to the growers and movers who have demonstrated greater potential.
2. The success of a succession management system involves the development and implementation of a varied succession management practices. While there was indications that the organizations in this study had succession management practices, full implementation was wanting. It is therefore recommended that where such practices have been developed, they should be implemented.
3. Though the succession strategies had a low level usage, there was no doubt that if fully implemented, they would have a positive impact on the organizations' management systems. Full utilization of the strategies is therefore recommended.
4. Employee satisfaction being a critical determinant for employee productivity and retention in an organization, it is important the public sector organizations should put in place deliberate efforts to satisfaction levels of employees is maintained at optimum levels. These include expanding on the areas of opportunities for personal growth, opportunities to learn new things on the job, providing challenging job opportunities, and providing support and guidance among others.
5. Organizations should ensure strategies/plans for career advancement for employees and succession management systems were in place. Where these

are already in place, they should be implemented and employees made aware of their existence.

6. Public sector organizations should desire to retain their competent employees once they are put in the right jobs. This is because it is expensive to recruit a new employee that to retain an existing one.
7. Senior Management should be at the forefront at providing the necessary support and impetus for succession management programs in their organizations.
8. Identifying candidates for succession management in an organization requires consideration of more than one method. Management should therefore make use of performance appraisal results, recommendations, personal ability data, personality and psychological tests and role plays/ job rotation.
9. Identifying candidates for succession is not enough. Once this is done, those identified should be developed and development of employees should form part and parcel of a succession management system.
10. Due to the impact succession management practices has on an organization, public sector organizations should ensure that succession management programs are in place.
11. Retention of key talents in an organization cannot be overemphasized. Accordingly, it is recommended that public sector organizations should ensure that all the factors that determine the retention of employees are put in place.

12. The research confirmed the existence of succession management practices in the organizations studied and that the practices have implications on employee retention as indicated by the findings of this study and also as expounded by Harmer (2000); Withers (2001); SHRM 2006 Job satisfaction survey report; Rothwell (2001); Armstrong (2006) and Rollins (2003). Full implementation of such practices was however found wanting. It is therefore recommended that public sector organizations should fully embrace succession management system and implement the practices.

Other tentative recommendations for consideration are as follows:

1. The public sector organizations should put in place appropriate strategies to ensure that employees in the age brackets of between 26 - 30 and 36 – 45 years are prepared to take up senior positions that may fall vacant. The organizations should also make deliberate efforts to ensure there was an evenly distributed age structure in their management structure to avert any succession crisis arising from an aging workforce. This should be considered during the recruitment and selection exercise.
2. Noting that 66% of the staff indicated that they had served their organizations for a period of between 1 and 15 years with a high concentration below 10 years, it is probable that these organizations will experience high employee turnover due to non availability of adequate positions at higher grades. This assumption concurs with Elliot Jacques requisite theory examined in this study which posits that “*individual’s length of time into the future which enable him to plan and work*”. Public

sector organizations in Kenya should therefore put in place mechanisms that encourages its employees to work longer in the organizations. These include employee retention strategies.

#### **5.4 Suggestions for Further Study**

This study focused on establishing the existence and extent to which succession management practices had been implemented in public sector organizations in Kenya. It also aimed to establish the implications of such practices on employee retention in the public sector organizations. While this objective has been largely achieved, the findings of this study indicated that 80% of the respondents who had worked longer in their organizations were married while the rest 20% were in the category of single, divorce, widowed or living together.

It is recommended that future research should try to find out whether there was any relationship between marital status of employees and their length/duration of service in public sector organizations.

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## APPENDICES

Appendix i: Table 4.12: Factors Influencing Employee Retention

	Statement	Mean scores out of 4			
		Agro Chem Food Company	Chemelil Sugar Company	Kenya Seed Company	Total
a	Quality of relationship with supervisor or manager	3.68	3.63	3.70	3.67
b	Compensation package/level of salary	3.50	3.57	3.64	3.58
c	Level of trust in the workplace	3.50	3.56	3.56	3.56
d	Opportunities for growth and advancement	3.74	3.43	3.68	3.54
e	Benefits plan	3.71	3.53	3.52	3.54
f	Clear understanding of work objectives	3.52	3.47	3.58	3.51
g	Level of co-operation with co- workers	3.38	3.47	3.63	3.50
h	Quality of vision and strategy from senior management	3.38	3.50	3.51	3.49
i	Retirement savings options	3.50	3.50	3.49	3.49
j	Ability of the company to recruit and select the right employees	3.61	3.50	3.39	3.48
k	Ability to balance work and home life	3.26	3.40	3.51	3.42
l	Employment status (full time/part time/temporary/permanent & pensionable etc)	3.24	3.43	3.41	3.40
m	Amount of meaningful work - the feeling of making a difference	3.00	3.31	3.68	3.38
n	Succession management system	3.50	3.36	3.22	3.35
o	Company's responsiveness to needs/requests	3.33	3.28	3.42	3.34
p	Linkage between pay and individual contribution	3.48	3.15	3.45	3.28
q	Autonomy at work - freedom	3.13	3.07	3.21	3.13

	Statement	Mean scores out of 4			
		Agro Chem Food Company	Chemelil Sugar Company	Kenya Seed Company	Total
	to direct work				
r	Level of challenge at work	2.96	3.03	3.20	3.07
s	How well individual goals and style match those of an organization	3.21	3.00	3.16	3.07
t	Predictability of work environment	2.87	2.99	2.86	2.93
u	Amount of job stress	2.95	2.86	3.07	2.91
v	Desirability of the company's geographical location	2.71	2.63	2.73	2.69
w	Amount of internal politics / bureaucracy	2.50	2.77	2.45	2.67

Source: Researcher (2013)

**Appendix ii: Introductory Letters**

Stephen Malakwen  
PO Box 4530,  
Kitale

5<sup>th</sup> November 2012

The Head of Human Resources,  
Chemelil Sugar Company Limited  
PO Box 177,  
Muhoroni

Dear Madam,

**Ref: Request to Conduct Research**

I am a student at the Open University of Tanzania pursuing a Masters degree in Human Resource Management. I am currently writing my dissertation on Succession Management Practices and their Implications on Employee Retention in Public Sector Organisations in Kenya.

My target population is non-unionisable staff/management.

The information obtained during this exercise will be used for academic purposes only and will be treated with absolute confidentiality.

Thanking you in advance,

Yours faithfully,



**Stephen Malakwen**

Stephen Malakwen  
PO Box 4530,  
Kitale

5<sup>th</sup> November 2012

The Human Resources Manager,  
Agro-Chemical & Food Company Limited  
PO Box 18,  
Muhoroni

Dear Sir,

**Ref: Request to Conduct Research**

I am a student at the Open University of Tanzania pursuing a Masters degree in Human Resource Management. I am currently writing my dissertation on Succession Management Practices and their Implications on Employee Retention in Public Sector Organisations in Kenya.

My target population is non-unionisable staff/management.

The information obtained during this exercise will be used for academic purposes only and will be treated with absolute confidentiality.

Thanking you in advance,

Yours faithfully,



**Stephen Malakwen**

Stephen Malakwen  
PO Box 4530,  
Kitale

5<sup>th</sup> November 2012

The Managing Director,  
Kenya Seed Company Limited  
PO Box 553,  
Kitale

Dear Sir,

**Ref: Request to Conduct Research**

I am a student at the Open University of Tanzania pursuing a Masters degree in Human Resource Management. I am currently writing my dissertation on Succession Management Practices and their Implications on Employee Retention in Public Sector Organisations in Kenya.

My target population is non-unionisable staff/management.

The information obtained during this exercise will be used for academic purposes only and will be treated with absolute confidentiality.

Thanking you in advance,

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Stephen Malakwen', with a horizontal line underneath.

**Stephen Malakwen**

### Appendix iii: Questionnaire

## **SUCCESSION MANAGEMENT PRACTICES AND THEIR IMPLICATIONS ON EMPLOYEE RETENTION IN PUBLIC SECTOR ORGANISATIONS IN KENYA**

### **RESEARCH QUESTIONNAIRE**                      Questionnaire No.....

This questionnaire has been designed to establish the existence and extent to which Succession Management practices have been implemented in public sector organizations in Kenya and the implications of such practices on employee retention. A case of Chemelil Sugar Company, Agro- chemical Food Company and Kenya Seed Co.

**The information obtained during this exercise will be used for academic purposes only. The data collected will be treated with absolute confidentiality.**

### **PART I: DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS**

**Respondent's Name:**.....(Optional)

**Company:**-----

**Gender:**

- Male
- Female

**Age group:**

- 18-25
- 26-35
- 36-45
- 46-55
- Over 55

**Years of Service:**

- 0-5
- 6-10
- 11-15
- 16-20
- Over 20

**Education level completed:**

- Primary
- Secondary
- Tertiary (Certificate/diploma)

- University

Marital status:

- Single
- Married
- Divorced/separated
- Living together
- Widowed

Job Group:-----

How long (in years/months) have you worked in this job group? \_\_\_\_\_

**PART II: SUCCESSION MANAGEMENT PRACTICES**

**1. Success Management Practices**

Which of the following succession management practices exist in your organization? (tick as appropriate):-

- a) Job rotation
- b) Education opportunities
- c) Training opportunities
- d) Annual performance appraisal
- e) Management trainee programs
- f) Mentoring/coaching
- g) Career planning programs

## 2. Succession strategies

Please rate the following statements on a scale of 1 to 5, where 1 = strongly disagree and 5 = strongly agree. Place a tick in the appropriate box.

	Strongly disagree	Disagree	Neither	Agree	Strongly agree
Managers/Supervisors in the company discuss with employees their development plans					
The Company has a Career Development Program for employees					
Employees are given opportunities to be part of task groups and assignments outside their core responsibilities					
Managers/supervisors effectively communicate with employees on matters affecting staff					
Employees in the Company are empowered to take responsibility and authority					

## 3. Individual satisfaction

Please rate the following statements on a scale of 1 to 5, where 1 = very dissatisfied and 5 = very satisfied. Place a tick in the appropriate box in the table below.

	Very dissatisfied	Somewhat dissatisfied	Neither	Somewhat satisfied	Very satisfied
Availability of promotion opportunities					
Established career progression					
Opportunities to learn new things from my job					
Quality of supervision I get in my job					
Support and guidance from my supervisor/manager					
My job security					

Amount of challenge from my job					
Amount of independence I exercise in my job					
Opportunities for personal growth					

4. Does the Company experience high employee turnover rates in a year?

- Yes  
 No

5. How many employees you know left/ resigned to other organizations?-----  
-----

6. Is your organization losing some of its best employees to your competitors?

- Yes  
 No

7. Is there a succession Management System in place?

- Yes  
 No

8. Does the Company have a strategy/plan/policy for career advancement for employees?

- Yes  
 No

If yes, describe it briefly

---

9. Which of the following items are practiced in the Company?

- Mentoring programme  
 Young professional programme  
 Leadership potential assessments for employees  
 Employer-sponsored training programme

10. Does the Company consider existing qualified staff when filling any vacant positions?

Yes

No

If yes, for how many years has this system been used?

Less than 5

6-10

10-15

15-20

Over 20

11. What motivates the Company to have a good succession management?

Anticipated changes in skills required of future leaders

The desire to improve company's bottom line

To retain employees

To put the right people in the right jobs

12. What are the common practices used by the Company in succession management

Visible support from the senior management

Development assignments as part of succession

Computerized system to plan progress

Mentoring/coaching

13. Of the approaches below, which one in your opinion has been most valuable for the Company?

Visible support from the senior management

Development assignments as part of succession

Computerized system to plan progress

Mentoring/coaching

14. How are candidates for succession identified?

Data on performance appraisals

Recommendation analysis of work samples/outputs

Ability, personality and psychological tests

- Role play/job rotation

15. Once a candidate is identified for succession, how is he/she developed?

- Development assignments such as job rotation
- Taken them for formal training
- Mentoring/coaching
- Other, specify:-----

16. Which of the following aspects does effective succession management impact on most?

- Employee satisfaction
- Employee retention
- Customer satisfaction
- Company productivity

**PART III EMPLOYEE RETENTION**

The following factors have been identified as affecting retention of employees in organizations. Place a tick in the appropriate box on the table below.

Retention Factor	Rank			
In terms of remaining in this organization, how important are these factors to you?				
	Very Important	Important	Neutral	Not Important
Quality of relationship with supervisor or manager				
Ability to balance work and home life				
Amount of meaningful work-the feeling of making a difference				
Level of co-operation with coworkers				
Level of trust in the workplace				
Compensation package/ Level of salary				
Opportunities for growth and advancement				
Clear understanding of work objectives				
Linkage between pay and individual contribution				
Company's responsiveness to needs/requests				
Level of challenge at work				
Autonomy at work-Freedom to direct				

work				
Quality of vision and strategy from senior management				
Ability of the company to recruit and select the right employees				
How well individual goals and style match with those of the organization				
Amount of job stress				
Desirability of the company's geographical location				
Predictability of work environment				
Amount of internal politics/bureaucracy				
Succession Management System				
Employment status (full-time/part-time/temporary/permanent & pensionable etc.)				
Benefits plan				
Retirement savings options				

Thank you for taking your time and the responses.



Stephen Malakwen.

### Appendix iv: Work Schedule

ACTIVITY	SCHEDULE									
	Wk1	Wk 2	Wk 3	Wk4	Wk 5	Wk 6	WK 7	Wk 8	Wk 9	Wk 10
➤ Development of Proposal										
➤ Presentation of proposal ➤ Correction ➤ Data correction										
➤ Data Analysis ➤ Report writing										
➤ Writing of the research report ➤ Presentation of the project ➤ Corrections										
➤ Submitting the research project report										

**Appendix v: Estimated Budget**

<b>ACTIVITY</b>	<b>No of days</b>	<b>No of staff</b>	<b>Cost(Kshs)</b>
Preparation, Document review	4	1	4,000
Planning and Logistics	2	1	No financial implications
Training of Data Collectors	2	4	6,000
Tools Pre testing	1	1	4,000
Conducting Surveys	5	4	13,000
Data entry	4	3	15,000
Data Analysis and Report writing	4	1	15,000
Incorporation of comments and development of final report	3	3	No financial implications
Final report	6	1	6,000
<b>TOTALS</b>	<b>32</b>		<b>63,000</b>

Expected time of Commencing the Study: on 1<sup>st</sup> November 2011

Expected time of completing the Study is 30<sup>th</sup> September 2013

Signatures:

Student.....



..... Date.....

Comments of the supervisor

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Supervisor.....Date.....